

**SPECIAL COMMITTEE OF THE WHOLE MEETING AGENDA
SUPERIOR, WISCONSIN
Tuesday – May 6, 2014
Immediately following the 6:30 p.m. Regular Council Meeting
Government Center, Board Room 201**

May 1, 2014

ROLL CALL

1. Public Works Director Goetzman requested discussion of the viability of the Moccasin Mike Landfill. *(ref'd from 4/15/14 Reg. Council mtg)*
Dave Yanke, Leidos Engineering, LLC presenting reports on the following:
 - a) Municipal Solid Waste Cost of Service Analysis; and
 - b) Wasteshed Analysis

2. Finance Director Vito, Capital Improvement Program (CIP).

BUSINESS BY PUBLIC

If you would like to speak before the Council, please sign your name on the sign-up sheet prior to the Council meeting. Due to requirements of the Wisconsin Open Meetings laws, only matters placed on this agenda may be approved by the Council at this meeting, however, citizens may address the Council regarding items which require no action. No personal attacks on individuals will be allowed, and all comments by members of the public shall be limited to three (3) minutes in length.

Citizens should contact the Mayor, a Councilor, or the City Clerk to have a matter placed on a future Council agenda for consideration.

Pursuant to the Americans with Disabilities Act of 1990, if you are in need of an accommodation to participate in the public meeting process, please contact the City Clerk's Office at (715) 395-7200 prior to the scheduled meeting. The City will attempt to accommodate any request depending on the amount of notice received. TDD (715) 395-7521.

In compliance with Wisconsin Open Meetings Law, this agenda was:
Posted: Government Center, Court House, & Public Library,
Faxed to: Daily Telegram, Public Library, May 1, 2014

4/15/14 referd to 5/6/14
C.O.W.
#1



SUPERIOR
WISCONSIN

Public Works Department

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Living up to our name.

Date: April 8, 2014

Council Agenda Date: April 15, 2015

MEMORANDUM

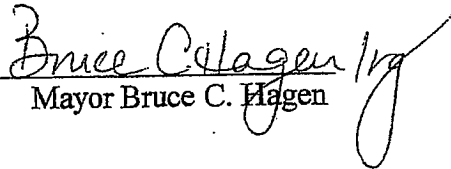
TO: Mayor Bruce C. Hagen and Members of the Common Council

FROM: Jeff Goetzman, Director of Public Works 

RE: Discussion of City of Superior's Moccasin Mike Landfill

I am requesting that the issue of the economic viability of the Moccasin Mike Landfill in Superior be referred for discussion to the Committee of the Whole at its May 6, 2014, meeting. This would be for the purposes of discussing the first two phases of study as performed by Leidos, the consultant hired by the City to evaluate the landfill operation. The first phases include evaluation of current cost centers at the landfill, as well as a wasteshed analysis for our geographic area.

Recommend:


Mayor Bruce C. Hagen

Final Report

Municipal Solid Waste Cost of Service Analysis

City of Superior, Wisconsin

April 2014



April 30, 2014



Jeff Goetzman, P.E.
Director of Public Works
City of Superior
1316 North 14th Street
Superior, WI 54880

Subject: **Municipal Solid Waste Cost of Service Analysis – Final Report**

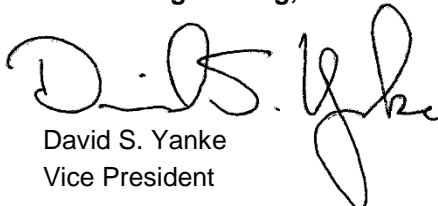
Dear Mr. Goetzman:

Leidos is pleased to submit the enclosed report to the City of Superior, Wisconsin detailing the analysis and conclusions resulting from the Municipal Solid Waste Cost of Service and Rate Design Study conducted for the solid waste utility. The study equitably distributes costs between residential, front-load and landfill customers to ensure the rate structures are fair and equitable to all customer classes. The rates are designed to recover all costs associated with operations and maintenance, debt service, cash capital outlays, as well as design and permitting costs associated with future cell construction, and funding future closure and post-closure care costs. Further, the rates are projected to generate the necessary revenue to ensure the financial integrity of the solid waste utility.

We appreciate the opportunity to provide our professional services to the City of Superior and would like to express our sincere appreciation to you and your staff for supplying the needed information and data. Should you or City Council members require additional information or clarification regarding the Solid Waste Cost of Service and Rate Design Study, please do not hesitate to contact Mr. Dave Yanke at (512) 773-5494 (cell).

Sincerely,

Leidos Engineering, LLC



David S. Yanke
Vice President

Note: Effective April 21, 2014 I can be reached at dyanke@newgenstrategies.net or 512.773.5494

MUNICIPAL SOLID WASTE COST OF SERVICE ANALYSIS

City of Superior, Wisconsin

Table of Contents

Letter of Transmittal
Table of Contents
List of Tables
List of Figures
Appendix A

Executive Summary

Section 1 COST OF SERVICE	1-1
1.1 Introduction.....	1-1
1.2 Current Solid Waste Services	1-1
1.2.1 Residential Services	1-1
1.2.2 Front Load Dumpster Collection Service	1-2
1.2.3 City Landfill.....	1-2
1.3 Project Approach	1-3
1.3.1 Data Request	1-3
1.3.2 Cost Allocation Meetings	1-3
1.3.3 On-going Staff Communications	1-4
1.4 Methodology Overview	1-4
1.5 Development of the Cost of Service	1-5
1.5.1 Selection of the Test Year.....	1-5
1.5.2 Development of the Cost of Service Forecast.....	1-5
1.6 Allocation of Costs to Service Categories	1-6
1.7 Determination of Billing Units	1-9
1.7.1 Residential and Front-Load Accounts	1-9
1.7.2 Landfill / Disposal.....	1-10
1.8 Calculation of the Cost of Service and Proposed Rates.....	1-11
1.8.1 Landfill.....	1-11
1.8.2 Residential.....	1-14
1.8.3 Front-Load Customers	1-15
1.9 Revenue Recovery with Proposed Rates	1-17
1.10 Key Findings & Rate Recommendations.....	1-18

List of Tables

Table 1-1 Inflation Factors.....	1-5
Table 1-2 Cost of Service	1-6
Table 1-3 Cost of Service, by Service Category, without Revenue Offsets	1-7
Table 1-4 Revenue Offsets.....	1-8
Table 1-5 Net Cost of Service, by Service Category, less Revenue Offsets	1-8
Table 1-6 Billing Units	1-10
Table 1-7 Landfill Units (Tons).....	1-10
Table 1-8 Projected Landfill Revenues.....	1-11
Table 1-9 Landfill Cost of Service.....	1-12
Table 1-10 Proposed Landfill Disposal Gate Rate per Ton	1-13
Table 1-11 Revenue Recovered through Proposed Landfill Disposal Gate Rate.....	1-13
Table 1-12 Annual Residential Cost of Service.....	1-14
Table 1-13 Monthly Residential Cost of Service.....	1-15
Table 1-14 Annual Front-Load Cost of Service	1-16
Table 1-15 Per Lift Front-Load Cost of Service.....	1-16
Table 1-16 Front-Load Customer Revenues.....	1-17
Table 1-17 Revenue Projections Based on Proposed Rates	1-17
Table 1-18 Residential User Fees	1-18

List of Figures

Figure 1-1. Cost of Service, FY 2014	1-9
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Appendix A

Schedule 1:	Budget
Schedule 2:	Debt Schedule
Schedule 3:	Capital Improvement Plan
Schedule 4:	Net Cost of Service
Schedule 5:	Net Cost of Service Summary
Schedule 6:	Indirect Cost Allocation
Schedule 7:	Disposal Cost of Service
Schedule 8:	Residential Net Cost of Service
Schedule 9:	Front Load Net Cost of Service
Schedule 10:	Revenue Reconciliation

EXECUTIVE SUMMARY

Overview of Services

The City of Superior (City) retained the services of Leidos Engineering, LLC (Leidos) to complete a financial review of the City's solid waste utility. Solid waste services provided by the City include the following: residential solid waste collection for single-family, multi-family apartments, and small "mom and pop" businesses; front-load solid waste collection via 4-cubic yard dumpsters for City of Superior facilities, University of Wisconsin-Superior buildings, and the Superior Housing Authority; disposal services are offered via the City's Moccasin Mike Landfill.

The City's recycling program is administered by the City, and is provided to residents every other week utilizing a 64-gallon cart. The single-stream recycling service is provided by Hartel's/DBJ Disposal Company, at a rate of \$2.90 per month in Fiscal Year 2014 (FY 2014). Customers eligible for the recycling service include single family homes, multi-family complexes with four or less units, trailer park lots (414 units), and the Superior Housing Authority which accounts for an additional 464 units. Other City provided solid waste services include an annual Household Hazardous Waste collection event and drop off site at WLSSD; recycling at the landfill of mattresses, oil and oil filters as well as yard waste. Finally, a spring and fall cleanup service is provided for approximately 8 weeks out of the year to collect yard waste and bulky items from residential accounts in addition to a "free landfill day" offered two times per year.

With the exception of the annual transfer from the General Fund (\$955,298 in 2013), it is important to note that solid waste collection is currently provided free of charge to all customers.¹

Implementation of Residential and Front-load User Fees

At present, the City's residential and front-load customers do not pay a user fee. This is an uncommon practice within the solid waste industry as the vast majority of cities across the United States have moved toward the implementation of monthly user fees to recover the cost of providing solid waste services to their citizens. Although residential services have historically been subsidized by the general fund and refuse tonnage delivered at the landfill through a contract with the Western Lake Superior Sanitary District, these subsidies can no longer continue to fund the utility in its current state. If no changes are made, the solid waste utility will be under-recovering approximately \$2.1 million per year beginning in Fiscal Year 2014 (FY 2014).

¹ The only revenues received for collection services is the minimal reimbursement provided from the State through the "Payment for Municipal Service Program" for services provided at the University of Wisconsin-Superior facilities. Solid waste services at the Superior Housing Authority are partially reimbursed by the "Payment in Lieu of Taxes" agreement with the Superior Housing Authority. Finally, nine businesses that have four carts each, pay \$50 per month.

Recommended Rates

Based on the cost of service analysis conducted by Leidos, including the development of a Landfill-Financial Stabilization Reserve (to assist in preparing for closure and post-closure care costs, as well as permitting and design costs associated with future cell construction), the following rates are recommended:

**Table ES-1
Residential Monthly User Fees¹**

	Year 1 FY 2014	Year 5 FY 2018
Residential Garbage Collection	\$ 3.97	\$ 4.26
Spring/Fall Clean Up	0.72	0.79
Residential Curbside Recycling	2.49	2.76
Disposal	4.00	4.33
Other Services ²	0.43	0.46
Administration	0.40	0.47
Subtotal	\$ 12.01	\$ 13.07
Landfill-Financial Stabilization Reserve	\$ 4.30	\$ 4.30
Proposed Rate	\$16.31	\$ 17.37

1. Single family account, multi-family, small "mom and pop" businesses
2. Household hazardous waste; tires, mattresses, oil, oil filters, recycling; etc.

**Table ES-2
Front Load Per Lift User Fees**

	Year 1 FY 2014	Year 5 FY 2018
Front Load Garbage Collection	\$ 11.44	\$ 12.76
Disposal	7.30	7.90
Administration	0.61	0.72
Subtotal	\$ 19.35	\$ 21.38
Landfill-Financial Stabilization Reserve	\$ 2.75	\$ 2.75
Proposed Rate	\$ 22.10	\$ 24.13

Example: 1 pick-up per week = \$88.40 per month.

Summary of Recommendations

Listed below, in Table ES-3, is a summary of our recommendations.

Table ES-3
Net Cost of Service Recommendations

Net Cost of Service and Funding Options	
Recommendation	Benefit/Purpose
Implement Residential and Front-Load User Fees	Implementation of user fees will contribute approximately \$2 million to the City's solid waste division on an annual basis. This will allow the City to sufficiently fund collection and landfill operations without dependency on a general fund transfer.
Lobby State Legislature to Remove "Garbage Collection" Fee Language as it Relates to the Tax Levy	To allow the City of Superior to have collection practices similar to the rest of the cities providing solid waste services.
Eliminate the \$1,000,000 Subsidy from the General Fund	If user fees are implemented, Leidos would recommend the subsidy from the General Fund be eliminated.
Implement a Multiple Container Fee for all Residential and "Mom and Pop" Businesses	Fees for multiple containers is a common practice in the solid waste industry and would potentially generate an additional \$40,000 to \$60,000 per year.
Discuss Raising WLSSD Contractual Tipping Fee	Leidos recommends the City discuss increasing the WLSSD contracted rate above the inflationary rate. A rate adjustment from 2% to 5% would equate to approximately an additional \$1/ton increase in the WLSSD tipping fee.
Increase Incoming Landfill Tonnage	Leidos recommends the City attempt to increase incoming tonnage per the findings presented by Leidos in the April 2014 Wasteshed Analysis Report.
Evaluate Commercial Collection Options	Leidos would recommend the City consider whether they would wish to compete with private haulers for accounts in the City. This could potentially increase the utilization and revenue generated by the front-load truck, as it appears to be presently under-utilized. Another option would be to get out of the front-load business altogether.
Consider a Private Hauler Permit or Franchise Fee	A permit mechanism would allow the City to monitor what haulers are operating within their community, and could potentially generate revenue via a franchise agreement.

Section 1

COST OF SERVICE

1.1 Introduction

The purpose of a cost of service study is to determine the total cost of providing solid waste services utilizing a full cost accounting methodology which equitably distributes the costs to each customer class while fully recovering, through user fees, the total cost of providing the services. The total cost of providing service includes costs associated with operations and maintenance (O&M), debt service (if any), cash capital outlays, landfill cell design and permitting costs, as well as long term closure and post-closure care costs. The organizational structure of this report is described below:

- Current Solid Waste Services
- Project Approach
- Methodology Overview
- Development of the Cost of Service
- Allocation of Costs to Service Categories
- Determination of Billing Units
- Calculation of the Cost of Service and Proposed Rates
- Revenue Recovery with Proposed Rates
- Key Findings & Rate Recommendations

1.2 Current Solid Waste Services

Solid waste services provided by the City include the following:

1.2.1 Residential Services

Residential services provided by the City's solid waste utility include weekly residential refuse collection service for a maximum of two, 96-gallon garbage carts for single family homes and a maximum of four, 96-gallon garbage cans for all other accounts. Items not accepted as part of the weekly refuse collection include the following: tires, recyclables, hot ashes, pipes, oil, car batteries, asbestos-containing materials, liquids, and yard waste. ¹ At present, residential accounts (and the small

¹ It should be noted that automated side loading garbage trucks are used to pick up 96-gallon carts at single-family accounts, multi-family apartments and small "mom and pop" businesses. For those businesses that have four carts they are charged \$50 per month, however, for less than four carts they

“mom and pop” commercial customers collected by the City) are currently not charged a monthly fee for solid waste and recycling services by the City.²

Yard waste (leaves and grass clippings) may be brought to the landfill at no additional fee. Brush, however, is charged at \$5.00 per pick-up load. In the fall and spring of each year, for approximately eight (8) weeks, the City operates several dump trucks to collect yard waste and other bulky trash items from residential accounts. The City also offers “free landfill day” two times per year for City residents.

The City’s recycling program is administered by the City with the service provided via a curbside program to residents every other week utilizing a 64-gallon cart. The recycling service is provided by Hartel Recycling, at a rate of \$2.90 per month in Fiscal Year 2014 (FY 2014).

Once per year Douglas County and the City of Superior sponsor a Household Hazardous Cleansweep event so residents may dispose of their household hazardous waste. These events are free to residents with the exception of a fee for florescent bulbs. City of Superior residents may also use the Hazardous Waste Drop-Off Facility at Western Lake Superior Sanitary District (WLSSD) in Duluth.

1.2.2 Front Load Dumpster Collection Service

Front load dumpster collection services are provided by one City refuse truck to City of Superior facilities, University of Wisconsin-Superior facilities, and the Superior Housing Authority. There are approximately 71, 4-cubic yard dumpsters at these three accounts, with the dumpsters serviced a maximum of three days per week (approximately 127 times per week in total).

The City does not charge any customer directly for front load service. Instead, it receives partial reimbursement from the State through the “Payment for Municipal Service Program” for services provided at the University of Wisconsin-Superior facilities. Services at the Superior Housing Authority are partially reimbursed by the Payment in Lieu of Taxes agreement with the Superior Housing Authority.

1.2.3 City Landfill

The City owns and operates the Moccasin Mike Landfill in Superior, Wisconsin. The City has a disposal contract in place with the Sanitary Board of the WLSSD. The current rate for WLSSD’s contracted municipal solid waste is \$36.69 per ton plus a \$0.46 per ton increase effective 07/01/2014. The City also has an industrial waste service agreement with Shamrock Landfill Inc., a Minnesota Corporation wherein the City accepts paper fiber waste from Shamrock to use as Alternative Daily Cover.

are charged \$0. There are only nine commercial businesses that have four, 96-gallon carts that are charged \$50 per month.

² Commercial businesses and multi-family complexes with more than four units are not provided recycling service by the City.

Based on data provided by City staff, Leidos estimates the City will receive approximately 114,500 tons of refuse in FY 2014; approximately 81 percent of the tonnage is expected to come from WLSSD. The current tipping fee for all other 3rd party tonnage, excluding municipal solid waste collected from Superior residents and small commercial businesses, is \$51.00 per ton.

At present, residential and the small “mom and pop” commercial customers do not pay a user fee for garbage collection services or recycling services provided by the City. The cost of these services are funded through a combination of general fund revenues, contract with the WLSSD, and other sources. The only revenues directly collected in relation to solid waste services are the tipping fees charged at the landfill as described above, and those few commercial businesses that have four, 96-gallon carts (charged \$50 per month). One of Leidos’ recommendations is to put in place a user fee program so every residential and commercial account pays for their “cost of being provided solid waste and recycling services.”

1.3 Project Approach

The goal of a cost of service study is to determine the solid waste fees required to adequately recover the cost of providing services. Leidos developed a series of key tasks that provided the foundation for the cost of service study. Leidos utilized the following sources of information regarding the City’s current system and financial requirements.

1.3.1 Data Request

Leidos submitted detailed data requests to the City to collect historical financial and operational information regarding the City’s solid waste operations. The information requested included:

- Detailed financial reports and budgets
- Solid waste policies and ordinances
- Personnel rosters
- Solid waste and recycling tonnage reports
- Fleet inventory and operating/capital costs

1.3.2 Cost Allocation Meetings

Leidos held meetings with City staff to initiate the cost of service study and allocate solid waste operational costs (both labor and capital) to the appropriate solid waste services. These meetings served as a forum to confirm the scope of services, discuss the data collected by Leidos and finalize the cost centers to be used.

1.3.3 On-going Staff Communications

During the course of the cost of service study, Leidos conducted several conference calls with City staff. These conference calls provided the opportunity for Leidos to review project progress, verify assumptions and receive input from City staff.

1.4 Methodology Overview

The items listed below provide the background necessary to understand how data compiled in each task provides the information required to determine the cost of service and fees that will adequately recover the cost of service.

- **Development of the “Test Year”:** The first task in conducting the analysis is the development of an annual cost of service, also called a “Test Year.” The cost of service represents the total revenue that the solid waste utility will need to recover during the year in order to fund all expenses incurred in providing solid waste services to the citizens of Superior. Leidos worked closely with City staff to identify the full cost of operating the solid waste system including adjustments to accurately reflect the full cost for fleet maintenance, vehicle replacement and debt. The resulting “Test Year” reflects the full cost of the solid waste operation in a “typical” year.
- **Development of the Cost of Service Forecast:** After developing the cost of service for the “Test Year,” Leidos worked with City staff to project changes in costs due to inflation, salary increases, new equipment, etc. This resulted in the five-year cost of service forecast.
- **Allocation of Costs to Service Categories:** Leidos worked with staff to assign and allocate costs to various service categories. The service categories represent the primary solid waste services provided by the City, and are listed in Section 1.6.
- **Allocation to Customer Classes:** Leidos grouped the service categories based on the customer classes that will recover each category’s costs. The customer classes include residential households and small businesses; frontload dumpster accounts, and landfill disposal customers.
- **Determination of Billing Units:** Leidos identified the appropriate billing units for each customer class. For example, the residential/small business monthly user fee rate is determined based on the number of accounts serviced.
- **Calculation of the Cost of Service:** Leidos distributed the costs for each customer class across the appropriate billing units to determine the cost of service for each customer class.

1.5 Development of the Cost of Service

1.5.1 Selection of the Test Year

In developing the Test Year cost of service for the solid waste utility, Leidos used the FY 2014 proposed budget as the basis for the “Test Year.” Leidos compared the proposed FY 2014 budget to actual expenses from FY 2011 and FY 2012, as well as the FY 2013 projected budget. Through these comparisons, and with input from City staff, Leidos made adjustments to ensure that the Test Year would reflect expenses that occur on a regular basis. All adjustments made to the FY 2014 budget for the development of the Test Year are detailed in Appendix A, Schedule 1. Schedule 2, which outlines existing debt, is also utilized in the development of the Test Year.

1.5.2 Development of the Cost of Service Forecast

In addition to developing the Test Year cost of service, Leidos forecasted the annual costs for FY 2014 – FY 2018. In order to develop this forecast, Leidos projected how costs would change over the years due to factors such as inflation. The assumptions used to develop the forecast include the annual increases shown in Table 1-1.

Table 1-1
Inflation Factors

Inflation Factor	Year 1 FY 2014	Year 2 FY 2015	Year 3 FY 2016	Year 4 FY 2017	Year 5 FY 2018
Salaries	0.0%	2.00%	2.00%	2.00%	2.00%
Benefits	0.0%	3.00%	3.00%	3.00%	3.00%
Insurance	0.0%	2.00%	2.00%	2.00%	2.00%
Fuel	0.0%	3.00%	3.00%	3.00%	3.00%
Capital Equipment	0.0%	2.00%	2.00%	2.00%	2.00%
General	0.0%	2.00%	2.00%	2.00%	2.00%
Maintenance	0.0%	2.00%	2.00%	2.00%	2.00%
Other	0.0%	2.00%	2.00%	2.00%	2.00%

In addition to forecasting cost increases due to inflation, Leidos included the cost of replacing vehicles, equipment, landfill improvements, design & permitting costs associated with cell construction, and long term closure and post-closure care costs in the cost of service. Capital replacements and improvements will, on average, cost approximately \$992,490 per year. In Year 1 (FY 2014), however, the solid waste utility is projected to spend approximately \$1,820,000 million in asset additions, therefore the City should confirm that the remaining \$827,510 (amount above the \$992,490 average) is available to the solid waste utility from unrestricted reserves. In future years when less than the \$992,490 average is needed, the “excess” revenue generated can be paid back to replenish the funds borrowed from the unrestricted

reserves. Appendix A, Schedule 3 outlines the utility's capital needs for FY 2014 – FY 2018.

Table 1-2 shows the cost of service for the five-year forecasted period. The detailed composition of the forecast is provided in Appendix A, Schedule 4.

**Table 1-2
Cost of Service**

	Year 1 FY 2014	Year 2 FY 2015	Year 3 FY 2016	Year 4 FY 2017	Year 5 FY 2018
Cost of Service	\$ 6,123,072	\$ 6,170,473	\$ 6,268,174	\$ 6,303,376	\$ 6,416,641

1.6 Allocation of Costs to Service Categories

The City provides a variety of solid waste services to its residential customers. To determine the costs for each service, there is a need to allocate costs to service categories that represent the primary solid waste services provided. These categories were determined through a series of discussions with City staff and are shown below.

- Administration Division – support staff
- Garbage Collection – drivers and trucks required to collect solid waste (from both carts and dumpsters) and deliver to the landfill
 - Residential Households and Small “mom and pop” Businesses
 - Frontload Truck
 - Spring/Fall Clean-up
- Recycling – Drivers and trucks required to collect recyclables at the curb
 - Residential Curbside
- Moccasin Mike Landfill – Refuse disposal and recycling services
 - Disposal
 - Brush Grinding
 - Mattresses
 - Tires
 - Leaves
 - Oil, Oil Filters, etc.
 - Design and Permitting Costs for Future Cell Construction
 - Cost of Long Term Closure and Post-Closure Care Costs
- Household Hazardous Waste – Special wastes including but not limited to florescent light bulbs, pharmaceuticals, medical sharps, and battery disposal

Identification of the total cost of each service category was a critical step in determining an accurate cost of all City provided solid waste services. These costs were isolated by service category in order to fully capture the total cost by matching the customers that utilize the service with the actual costs for that service. Table 1-3 identifies the cost of providing each service for FY 2014 – FY 2018 prior to applying various revenue offsets.

Table 1-3
Cost of Service, by Service Category, without Revenue Offsets

Service Category	Year 1 FY 2014	Year 2 FY 2015	Year 3 FY 2016	Year 4 FY 2017	Year 5 FY 2018
Solid Waste Administration	\$ 391,772	\$ 399,241	\$ 408,253	\$ 416,044	\$ 425,440
Garbage Collection					
Residential	\$ 574,160	\$ 582,551	\$ 591,139	\$ 599,929	\$ 608,925
Frontload Truck	74,390	76,223	78,104	80,033	82,012
Spring/Fall Clean-up	85,922	88,000	90,130	92,313	94,552
Recycling					
Residential Curbside	\$ 397,000	\$ 404,940	\$ 413,039	\$ 421,300	\$ 429,726
Landfill					
Refuse	\$ 4,982,644	\$ 5,010,851	\$ 5,087,334	\$ 5,102,052	\$ 5,183,123
Brush Grinding	7,447	7,606	7,768	7,935	8,104
Mattresses	1,923	1,964	2,006	2,049	2,093
Tires	1,923	1,964	2,006	2,049	2,093
Leaves	7,447	7,606	7,768	7,935	8,104
Oil, Oil Filters, Etc.	1,923	1,964	2,006	2,049	2,093
Household Hazardous Waste	30,120	30,763	31,419	32,090	32,776
Cost of Service	\$ 6,556,672	\$ 6,613,673	\$ 6,720,974	\$ 6,765,776	\$ 6,879,041

The City of Superior obtains miscellaneous revenue from various sources that are used to offset the costs outlined in Table 1-3. These revenue sources include, but are not limited, to federal grants, insurance rebates, carbon credits, etc. Please note that these revenue offsets do not include the revenues realized from the tipping fees (i.e. gate rates) charged for disposal of waste at the City landfill (WLSSD tonnage, sludge, etc.) as these items are addressed later in the analysis. Table 1-4 outlines each of these revenue offsets in detail.

**Table 1-4
Revenue Offsets**

	Year 1 FY 2014	Year 2 FY 2015	Year 3 FY 2016	Year 4 FY 2017	Year 5 FY 2018
Federal Interest Rebate	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Recycling Grant	100,000	100,000	100,000	100,000	100,000
Interest Revenue	50,000	50,000	50,000	50,000	50,000
Rent-Extra Containers	9,000	9,000	9,000	9,000	9,000
Sale of Assets for Scrap	1,000	1,000	1,000	1,000	1,000
Insurance Rebates	7,000	7,000	7,000	7,000	7,000
Shamrock Paper Fiber Contract	141,600	151,200	160,800	170,400	170,400
Carbon Credits	100,000	100,000	100,000	100,000	100,000
Total	\$ 433,600	\$ 443,200	\$ 452,800	\$ 462,400	\$ 462,400

Table 1-5 analyzes the cost of service after the application of the revenue offsets in Table 1-4. This reflects the remaining costs which must be recovered through user fees charged to the residential accounts, small “mom and pop” businesses, front-load dumpster customers, and finally the landfill customers that haul their waste directly to the landfill.

**Table 1-5
Net Cost of Service, by Service Category, less Revenue Offsets**

Service Category	Year 1 FY 2014	Year 2 FY 2015	Year 3 FY 2016	Year 4 FY 2017	Year 5 FY 2018
Solid Waste Administration	\$ 308,772	\$ 316,241	\$ 325,253	\$ 333,044	\$ 342,440
Garbage Collection					
Residential	\$ 473,500	\$ 481,891	\$ 490,479	\$ 499,268	\$ 508,264
Frontload Truck	66,050	67,884	69,764	71,693	73,672
Spring/Fall Clean-up	85,922	88,000	90,130	92,313	94,552
Recycling					
Residential Curbside	\$ 297,000	\$ 304,940	\$ 313,039	\$ 321,300	\$ 329,726
Landfill					
Refuse	\$ 4,841,044	\$ 4,859,651	\$ 4,926,534	\$ 4,931,652	\$ 5,012,723
Brush Grinding	7,447	7,606	7,768	7,935	8,104
Mattresses	1,923	1,964	2,006	2,049	2,093
Tires	1,923	1,964	2,006	2,049	2,093
Leaves	7,447	7,606	7,768	7,935	8,104
Oil, Oil Filters, Etc.	1,923	1,964	2,006	2,049	2,093
Household Hazardous Waste	30,120	30,763	31,419	32,090	32,776
Net Cost of Service	\$ 6,123,072	\$ 6,170,473	\$ 6,268,174	\$ 6,303,376	\$ 6,416,641

Figure 1-1 provides a graphic representation of the costs included in the FY 2014 cost of service.

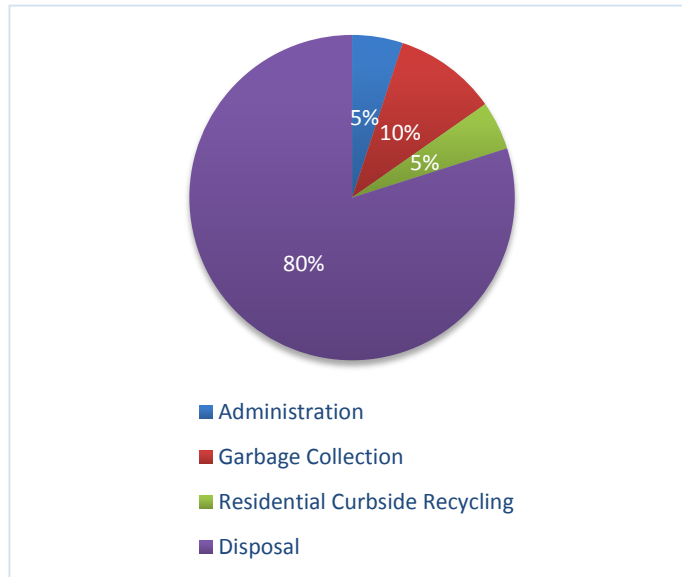


Figure 1-1. Cost of Service, FY 2014

1.7 Determination of Billing Units

In order to calculate the cost of service on a customer basis, Leidos determined the number of annual billing units for various customer classes. Leidos received billing data for each customer class from City staff and determined the cost of service by dividing the cost of service by the appropriate billing units. Leidos assumed no growth in the number of residential customers in the cost of service analysis. To be conservative, the tonnage received at the landfill was also assumed to stay at estimated FY 2014 levels throughout the five-year forecast.

1.7.1 Residential and Front-Load Accounts

At present, the City does not charge residential customers or the front-load customers for the pick-up of their solid waste. The City does, however, receive partial reimbursement for these services through the State Payment for Municipal Services Program, in addition to the Payment in Lieu of Taxes Agreement with the Superior Housing Authority.

The appropriate units for each customer class includes the approximated number of households for residents, in addition to the number of 4-cubic yard dumpsters serviced on an annual basis by the City. Table 1-6 shows the number of customers by customer type.

**Table 1-6
Billing Units**

	Year 1 FY 2014	Year 2 FY 2015	Year 3 FY 2016	Year 4 FY 2017	Year 5 FY 2018
Billing Units					
Residential Households (Side Load) ¹	9,950	9,950	9,950	9,950	9,950
Dumpsters Serviced (Front Load) ²	5,772	5,772	5,772	5,772	5,772

1. Includes the single-family, multi-family, and small commercial businesses serviced weekly.

2. Annual number of lifts.

1.7.2 Landfill / Disposal

The cost of disposal is distributed to the various customer classes based on projected disposal tonnage. Table 1-7 lists the estimated landfill tonnage forecast for each customer class. Leidos would note that landfill tons were held constant to reflect a conservative forecast.

**Table 1-7
Landfill Units (Tons)**

Customer Class	Year 1 FY 2014	Year 2 FY 2015	Year 3 FY 2016	Year 4 FY 2017	Year 5 FY 2018
Solid Waste Tonnage					
Total WLSSD Contracted MSW	93,000	93,000	93,000	93,000	93,000
Total City MSW	10,200	10,200	10,200	10,200	10,200
Total 3 rd Party Tonnage	8,000	8,000	8,000	8,000	8,000
Total	111,200	111,200	111,200	111,200	111,200
WWTP Sludge					
Total Superior Grit/Sludge	2,500	2,500	2,500	2,500	2,500
Total Duluth/WLSSD Grit/Sludge	800	800	800	800	800
Total	3,300	3,300	3,300	3,300	3,300
Total Tonnage Disposed	114,500	114,500	114,500	114,500	114,500

It is important to note that 3rd party tonnage, in addition to WWTP sludge is currently charged the gate rate of \$51.00/ton. The majority of tonnage is charged at the WLSSD contracted rate, however, which is \$36.69/ton at present. The contract allows for annual CPI increases. Nearly nine percent of all solid waste tonnage is generated by residential and small commercial businesses (collected by City refuse trucks), and is currently not charged a disposal fee. Table 1-8 illustrates projected revenues over the five-year forecast for each of these customer classes at the City's current tipping fee, assuming a 2 percent annual increase for inflation.

**Table 1-8
Projected Landfill Revenues**

	Year 1 FY 2014	Year 2 FY 2015	Year 3 FY 2016	Year 4 FY 2017	Year 5 FY 2018
Solid Waste Tonnage					
Total WLSSD Contracted MSW	\$ 3,412,170	\$ 3,454,950	\$ 3,523,897	\$ 3,594,375	\$ 3,666,263
Total City MSW	-	-	-	-	-
Total 3 rd Party Tonnage	408,000	416,160	424,483	432,973	441,632
WWTP Sludge					
Total Superior Grit/Sludge	127,500	130,050	132,651	135,304	138,010
Total Duluth/WLSSD Grit/Sludge	40,800	41,616	42,448	43,297	44,163
Total Revenues	\$ 3,988,470	\$ 4,042,776	\$ 4,123,480	\$ 4,205,949	\$ 4,290,068
Total Cost of Service	6,123,072	\$ 6,170,473	\$ 6,268,174	\$ 6,303,376	\$ 6,416,641
Over/(Under) Recovery	\$ (2,134,602)	\$ (2,127,697)	\$ (2,144,694)	\$ (2,097,427)	\$ (2,126,572)

Leidos would emphasize that Table 1-8 shows the importance of the City addressing its under-recovery of the necessary revenues to sufficiently fund the current solid waste operations. If no user fees are put in place the solid waste operations will continue to under-recover approximately \$2.1 million per year, which the General Fund cannot afford to subsidize.

1.8 Calculation of the Cost of Service and Proposed Rates

Leidos analyzed the cost of the various solid waste services provided by the City. Listed below is a summary of the costs for each service provided to the residential, front-load and landfill customers and the proposed rates to be implemented. Because the landfill is the biggest driver for the overall costs of the solid waste utility and the financial integrity of the landfill drives the ultimate rates recommended in this report, the landfill cost of service will be discussed first in this section.

1.8.1 Landfill

Table 1-9 shows the City landfill's projected cost of service over the five-year forecast. The City landfill's cost of service is directly related to the volume of tonnage accepted on an annual basis. To be conservative, Leidos assumed no growth in tonnage over the five-year forecast. However, if the City does experience an increased volume of tonnage, the cost of service on a unit basis will vary from the projections below. Please note that Table 1-9 is provided in greater detail in Appendix A, Schedule 7.

**Table 1-9
Landfill Cost of Service**

	Year 1 FY 2014	Year 2 FY 2015	Year 3 FY 2016	Year 4 FY 2017	Year 5 FY 2018
Annual Cost of Service					
Direct Allocation					
Landfill Operation	\$ 4,841,044	\$ 4,859,651	\$ 4,926,534	\$ 4,931,652	\$ 5,012,723
Indirect Allocation					
Admin	257,087	262,515	269,627	275,103	282,598
Landfill Cost of Service	\$ 5,098,131	\$ 5,122,166	\$ 5,196,161	\$ 5,206,755	\$ 5,295,321
Billing Units					
MSW Tonnage	114,500	114,500	114,500	114,500	114,500
Average Cost per Ton	\$ 44.53	\$ 44.74	\$ 45.38	\$ 45.47	\$ 46.25

It should be noted that the current contract between the City and the WLSSD was originally negotiated in 2006 with an eight year extension negotiated in 2011. Since that time, several things have occurred which have had an impact on the cost of service for disposal at the Moccasin Mike Landfill. The list of major changes includes:

- Reduced volumes of MSW (and reduced revenue with fewer tons of MSW).
- More stringent regulations, and new air permit at landfill.
- With changes in construction standards for landfill containment cells, construction costs in general have increased significantly over the years. Constructing Cell 5 cost more initially in terms of bid prices, and there was an area of weak soils that caused construction cost over runs. There were also increases in that project in terms of soils testing, engineering, and project oversight.

It should be noted that this cost of service study takes into account the costs associated with design and permitting for a new landfill cell, which is estimated at approximately \$1 million. The analysis additionally includes the remaining costs associated with closure and post-closure care costs estimated at approximately \$4.5 million. Based on the estimated remaining airspace at the landfill, the cost per ton for closure and post-closure care costs is estimated at approximately \$3.35 per ton.

Leidos would like to reiterate that although the cost of service varies between \$44.53 and \$46.25, the FY 2014 contractual rate with WLSSD is \$36.69 and modestly increases with CPI over the five year forecast. Therefore, Leidos would recommend the City maintain the current \$51 per ton rate for all other tonnage entering the landfill, with modest annual 2 percent increases thereafter. Table 1-10 denotes the contractual and recommended rates per ton at the City landfill for each of the major customer classes.

**Table 1-10
Proposed Landfill Disposal Gate Rate per Ton**

	Year 1 FY 2014	Year 2 FY 2015	Year 3 FY 2016	Year 4 FY 2017	Year 5 FY 2018
Solid Waste Tonnage					
Total WLSSD Contracted MSW	\$ 36.69	\$ 37.15	\$ 37.89	\$ 38.65	\$ 39.42
Total City MSW	51.00	52.02	53.06	54.12	55.20
Total 3 rd Party Tonnage	51.00	52.02	53.06	54.12	55.20
WWTP Sludge					
Total Superior Grit/Sludge	51.00	52.02	53.06	54.12	55.20
Total Duluth/WLSSD Grit/Sludge	51.00	52.02	53.06	54.12	55.20

Table 1-11 outlines the annual disposal costs that should be recovered from each customer class; based on the rates per ton outlined Table 1-10.

**Table 1-11
Revenue Recovered through Proposed Landfill Disposal Gate Rate**

	Year 1 FY 2014	Year 2 FY 2015	Year 3 FY 2016	Year 4 FY 2017	Year 5 FY 2018
Solid Waste Tonnage					
Total WLSSD Contracted MSW	\$ 3,412,170	\$ 3,454,950	\$ 3,523,897	\$ 3,594,375	\$ 3,666,263
Total City MSW ¹	520,200	530,604	541,216	552,040	563,081
Total 3 rd Party Tonnage	408,000	416,160	424,483	432,973	441,632
Total	\$ 4,340,370	\$ 4,401,714	\$ 4,489,597	\$ 4,579,388	\$ 4,670,976
WWTP Sludge					
Total Superior Grit/Sludge	\$ 127,500	\$ 130,050	\$ 132,651	\$ 135,304	\$ 138,010
Total Duluth/WLSSD Grit/Sludge	40,800	41,616	42,448	43,297	44,163
Total	\$ 168,300	\$ 171,666	\$ 175,099	\$ 178,601	\$ 182,173
Total Revenues	\$ 4,508,670	\$ 4,573,380	\$ 4,664,696	\$ 4,757,990	\$ 4,853,150
Total Disposal Costs	5,098,131	5,122,166	5,196,161	5,206,755	5,295,321
Over/Under Recovery	\$ (589,461)	\$ (548,786)	\$ (531,465)	\$ (448,765)	\$ (442,172)

1. The City does not currently generate this revenue. This revenue would only be reflected if a user fee were put in place.

Leidos would note that the revenues recovered in Table 1-11 (even with a \$51 per ton gate fee recovered through the user fee for residential and front-load accounts, and their associated tonnage), under-recover the cost of operating the landfill by over \$500,000. This is due in part to the additional costs that have been incurred in operating the landfill, as described earlier in this section, as well as addressing the closure and post-closure care costs in a pro-active manner. Therefore the residential and front-load user fees below reflect an additional surcharge (which is in addition to the cost of service described below) titled “Landfill-Financial Stabilization Reserve”

which will allow the City to recover this shortfall and ensure the financial integrity of the overall solid waste utility.

1.8.2 Residential

Although rates are not currently charged residential customers, Leidos calculated the cost of servicing each household on a monthly basis. Table 1-12 shows the projected cost of service for residential customers.

Table 1-12
Annual Residential Cost of Service

	Year 1 FY 2014	Year 2 FY 2015	Year 3 FY 2016	Year 4 FY 2017	Year 5 FY 2018
Annual Cost of Service					
Direct Allocation					
Residential Garbage Collection	\$ 473,500	\$ 481,891	\$ 490,479	\$ 499,268	\$ 508,264
Spring/Fall Clean Up	85,922	88,000	90,130	92,313	94,552
Residential Curbside Recycling	297,000	304,940	313,039	321,300	329,726
Household Hazardous Waste	30,120	30,763	31,419	32,090	32,776
Disposal	478,076	487,638	497,390	507,338	517,485
Landfill Recycling (Mattresses, Tires, Etc.)	20,663	21,104	21,555	22,016	22,487
<i>Subtotal</i>	\$ 1,385,281	\$ 1,414,335	\$ 1,444,012	\$ 1,474,326	\$ 1,505,290
Indirect Costs					
Administration	\$ 48,178	\$ 50,060	\$ 51,808	\$ 53,942	\$ 55,689
Residential Cost of Service	\$ 1,433,459	\$ 1,464,395	\$ 1,495,821	\$ 1,528,267	\$ 1,560,979

The cost of service includes the costs associated with collection of refuse and recyclables, disposal, spring/fall cleanup, household hazardous waste collection and administrative costs. A detailed schedule of the residential cost of service is provided in Appendix A, Schedule 8. Table 1-13 utilizes the costs shown in Table 1-12 to calculate the monthly cost of service per customer.

Table 1-13
Monthly Residential Cost of Service

	Year 1 FY 2014	Year 2 FY 2015	Year 3 FY 2016	Year 4 FY 2017	Year 5 FY 2018
Monthly Cost of Service					
Direct Collection Costs					
Residential Garbage Collection	\$ 3.97	\$ 4.04	\$ 4.11	\$ 4.18	\$ 4.26
Spring/Fall Clean Up	0.72	0.74	0.75	0.77	0.79
Residential Curbside Recycling	2.49	2.55	2.62	2.69	2.76
Household Hazardous Waste	0.25	0.26	0.26	0.27	0.27
Disposal	4.00	4.08	4.17	4.25	4.33
Landfill Recycling (Mattresses, Tires, Etc.)	0.17	0.18	0.18	0.18	0.19
Indirect Costs					
Administration	0.40	0.42	0.43	0.45	0.47
Subtotal	\$ 12.01	\$ 12.26	\$ 12.53	\$ 12.80	\$ 13.07
Landfill-Financial Stabilization Reserve	\$ 4.30	\$ 4.30	\$ 4.30	\$ 4.30	\$ 4.30
Proposed Rate	\$16.31	\$ 16.56	\$ 16.83	\$ 17.10	\$ 17.37

As shown in Table 1-13 if a residential user fee of \$16.31 per month per residential account is put in place in FY 2014, it will recover the cost of providing the associated services (\$12.01) as well as set aside \$4.30 toward the landfill-financial stabilization reserve.

1.8.3 Front-Load Customers

Front-load customers consist of only three major customers: The City of Superior (facilities such as Main Fire Hall, Public Library, Barkers Island-seasonal, etc.); the Superior Housing Authority, and the University of Wisconsin-Superior. They are all serviced via 4-cubic yard dumpsters, and like residential households, are not currently billed for their garbage collection service. Leidos would recommend the City establish a per lift charge in order to capture the cost of providing this service. Table 1-14 shows the projected cost of service for customers receiving front-load service.

Table 1-14
Annual Front-Load Cost of Service

	Year 1 FY 2014	Year 2 FY 2015	Year 3 FY 2016	Year 4 FY 2017	Year 5 FY 2018
Annual Cost of Service					
Direct Collection Costs					
Front Load Garbage Collection	\$ 66,050	\$ 67,884	\$ 69,764	\$ 71,693	\$ 73,672
Disposal	42,124	42,966	43,826	44,702	45,596
<i>Subtotal</i>	\$ 108,174	\$ 110,850	\$ 113,590	\$ 116,395	\$ 119,268
Indirect Costs					
Administration	\$ 3,508	\$ 3,667	\$ 3,818	\$ 3,999	\$ 4,153
Front- Load Cost of Service	\$ 111,681	\$ 114,517	\$ 117,408	\$ 120,395	\$ 123,422

The cost of service includes the cost for refuse collection and disposal, in addition to an equitably allocated portion of administrative costs. A detailed schedule of the front-load cost of service is provided in Appendix A, Schedule 9. Table 1-15 utilizes the costs shown in Table 1-14 to identify the front-load cost of service on a per lift basis.

Table 1-15
Per Lift Front-Load Cost of Service

	Year 1 FY 2014	Year 2 FY 2015	Year 3 FY 2016	Year 4 FY 2017	Year 5 FY 2018
Per Lift Cost of Service					
Direct Allocation					
Front Load Garbage Collection	\$ 11.44	\$ 11.76	\$ 12.09	\$ 12.42	\$ 12.76
Disposal	7.30	7.44	7.59	7.74	7.90
Indirect Costs					
Administration	0.61	0.64	0.66	0.69	0.72
<i>Subtotal</i>	\$ 19.35	\$ 19.84	\$ 20.34	\$ 20.86	\$ 21.38
Landfill-Financial Stabilization Reserve	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75
Proposed Rate	\$ 22.10	\$ 22.59	\$ 23.09	\$ 23.61	\$ 24.13

Table 1-16 shows the annual revenue the City can expect to recover from the various front-load customers if they are charged the cost of service rates outlined in Table 1-15. It should be noted that the City will need to abide by the State of Wisconsin's Payment for Municipal Services calculations and expected revenue for the University of Wisconsin-Superior may likely be lower than these estimates.

Table 1-16
Front-Load Customer Revenues

	Year 1 FY 2014	Year 2 FY 2015	Year 3 FY 2016	Year 4 FY 2017	Year 5 FY 2018
Superior Housing Authority	\$ 48,261	\$ 49,334	\$ 50,428	\$ 51,558	\$ 52,703
University of Wisconsin – Superior	57,454	58,731	60,033	61,378	62,742
City of Superior	21,832	22,318	22,813	23,324	23,842
Total	\$ 127,547	\$ 130,382	\$ 133,273	\$ 136,260	\$ 139,287

1.9 Revenue Recovery with Proposed Rates

Table 1-17 provides a summary of the projected revenues if the rate recommendations in Section 1.8 are implemented. Leidos would note that the proposed rates are projected to generate a modest under-recovery in the first three years of the five-year forecast, with a positive cash flow realized by FY 2017 and a cumulative over-recovery of \$85,778 by the end of FY 2018.

Table 1-17
Revenue Projections Based on Proposed Rates

	Year 1 FY 2014	Year 2 FY 2015	Year 3 FY 2016	Year 4 FY 2017	Year 5 FY 2018
Garbage Collection¹					
Residential (Includes Recycling)	\$ 1,946,879	\$ 1,977,815	\$ 2,009,241	\$ 2,041,687	\$ 2,074,399
Front-Load	127,547	130,382	133,273	136,260	139,287
Total	\$ 2,074,426	\$ 2,108,197	\$ 2,142,514	\$ 2,177,948	\$ 2,213,686
Landfill²					
<i>Disposal</i>					
Total WLSSD Contracted MSW	\$ 3,412,170	\$ 3,454,950	\$ 3,523,897	\$ 3,594,375	\$ 3,666,263
Total 3 rd Part Tonnage	408,000	416,160	424,483	432,973	441,632
Superior Grit/Sludge	127,500	130,050	132,651	135,304	138,010
Duluth/WLSSD Grit/Sludge	40,800	41,616	42,448	43,297	44,163
Total	\$ 3,988,470	\$ 4,042,776	\$ 4,123,480	\$ 4,205,949	\$ 4,290,068
Total					
Revenue	\$ 6,062,896	\$ 6,150,973	\$ 6,265,994	\$ 6,383,897	\$ 6,503,754
Cost of Service	6,123,072	6,170,473	6,268,174	6,303,376	6,416,641
Over/ (Under) Recovery	\$ (60,176)	\$ (19,500)	\$ (2,180)	\$ 80,520	\$ 87,113
Cumulative Over/ (Under) Recovery	\$ (60,176)	\$ (79,676)	\$ (81,856)	\$ (1,336)	\$ 85,778

1. Revenue recovered through rates if the \$16.31/HH & \$22.10/lift user fees are put in place for FY 2014 with corresponding modest increases in these rates as shown in Table 1-13 & Table 1-15.
2. Revenue recovered through contracted rates.

1.10 Key Findings & Rate Recommendations

Based on Leidos' experience, and in particular, the project manager's extensive experience in the conduct of solid waste cost of service studies, as well as operational reviews, we would propose the following recommendations:

- **Implement Residential and Front-Load User Fees:** At present, the City's residential and front-load customers do not pay a user fee. This is very unique within the solid waste industry as the vast majority of cities across the United States have moved toward the implementation of monthly user fees to recover the cost of providing solid waste services to their citizens. Based on our industry experience, and analysis as summarized in this report, we would recommend that the City implement the rates shown in Table 1-13 and 1-15 for FY 2014, and as shown below for the residential accounts;

Table 1-18
Residential User Fees¹

	Year 1 FY 2014	Year 5 FY 2018
Residential Garbage Collection	\$ 3.97	\$ 4.26
Spring/Fall Clean Up	0.72	0.79
Residential Curbside Recycling	2.49	2.76
Disposal	4.00	4.33
Other Services ²	0.43	0.46
Administration	0.40	0.47
Subtotal	\$ 12.01	\$ 13.07
Landfill-Financial Stabilization Reserve	\$ 4.30	\$ 4.30
Proposed Rate	\$16.31	\$ 17.37

1. Single family account, multi-family, small "mom and pop" businesses.
2. Household hazardous waste; tires, mattresses, oil, oil filters, recycling; etc.

- **Lobby State Legislature to Remove "Garbage Collection" Fee Language as it Relates to the Tax Levy.** This will allow the City of Superior to have collection practices similar to the rest of the cities providing solid waste services.
- **Eliminate the \$1,000,000 Subsidy from the General Fund:** If the user fees described above are implemented, we would recommend that the subsidy from the General Fund be eliminated.
- **Implement a Multiple Container Fee for all Residential and "Mom and Pop" Businesses:** If the monthly user fee of \$16.31 is implemented (as described above), we would recommend that a fee for each additional container be implemented of approximately \$8 to \$10 per container, per month. In other words, if a customer had three, 96-gallon carts they would pay \$16.31 + \$10.00 + \$10.00, or \$36.31 per month, if the additional cart fee were \$10.00 per month. This fee

would have the potential to generate an additional \$40,000 to \$60,000 per year, and is a common practice within the solid waste industry.

- **Discuss Raising WLSSD Contractual Tipping Fee:** Leidos recommends the City discuss increasing the WLSSD contracted rate above the inflationary rate. While the City does not want to put at risk, its largest customer at the landfill, the City should explore whether the WLSSD would be willing to consider an increase in the rate adjustment from 2 percent to 5 percent (which would equate to approximately an additional \$1 per ton increase in the WLSSD tipping fee).
- **Increase Incoming Landfill Tonnage:** Leidos recommends the City attempt to increase incoming tonnage per the findings presented by Leidos in our Wasteshed Analysis Report. Because pursuing additional waste will take time, we would recommend that all rate recommendations as described above be implemented regardless of whether additional waste is captured for the landfill.
- **Evaluate Commercial Collection Options:** We are familiar with many cities that collect commercial solid waste within their communities. Some implement a franchise whereby all commercial waste must be collected by City refuse trucks, while other cities will “compete” with private refuse haulers for accounts. Either way, we would recommend that the City consider whether they would entertain such an option. Based on our analysis it appears that the City front-load truck is under-utilized and could collect additional solid waste and thereby generate additional revenue for the City.
- **Consider a Private Hauler Permit or Franchise Fee:** Many cities we work with have in place a permit mechanism so they can monitor what haulers are operating within their community. Other cities will put in place a franchise agreement whereby the private hauler pays a 4 – 7 percent franchise fee (on gross revenues) to the City for the right to use the City’s “streets and alleys”. This fee is not uncommon to the franchise fee paid by gas and electric utilities, as well as phone and cable TV companies.

Appendix A SCHEDULES

The following schedules are included as part of Appendix A:

- Schedule 1: Budget
- Schedule 2: Debt Schedule
- Schedule 3: Capital Improvement Plan
- Schedule 4: Net Cost of Service
- Schedule 5: Net Cost of Service Summary
- Schedule 6: Indirect Cost Allocation
- Schedule 7: Disposal Cost of Service
- Schedule 8: Residential Net Cost of Service
- Schedule 9: Front Load Net Cost of Service
- Schedule 10: Revenue Reconciliation

City of Superior
Budget

		FY 2011 Actual	FY 2012 Actual	FY 2013 Projection	FY 2014 Budget Proposed	Adjustments	Test Year	Comments
EXPENSES								
GARBAGE COLLECTION - 5362								
Salaries								
1	11 10	Permanent-Regular	\$ 279,343	\$ 203,245	\$ 272,337	\$ 267,478	\$ 267,478	
2	11 20	Permanent-Overtime	443	1,168	2,841	3,500	3,500	
		<i>Subtotal</i>	<u>\$ 279,786</u>	<u>\$ 204,413</u>	<u>\$ 275,178</u>	<u>\$ 270,978</u>	<u>\$ 270,978</u>	
Employer Contribution								
3	15 10	Benefits Soc Security	\$ 20,378	\$ 19,983	\$ 19,986	\$ 20,194	\$ 20,194	
4	15 20	Benefits - Employer WRF	17,195	16,974	21,104	18,478	18,478	
5	15 25	Benefits - Empl Retirement	6,224	6,286	4,530	4,620	4,620	
6	15 40	Benefits - Hlth Insurance	89,424	121,998	96,474.22	90,532	90,532	
7	15 50	Benefits - Life Insurance	892	1,019	1,055	825	825	
8	15 60	Benefits - Workers Comp	18,073	17,976	19,040	21,996	21,996	
		<i>Subtotal</i>	<u>\$ 166,664</u>	<u>\$ 184,236</u>	<u>\$ 162,190</u>	<u>\$ 156,645</u>	<u>\$ 156,645</u>	
Utility Services								
9	22 50	Telephone	1,012	927	596	1,000	1,000	
		<i>Subtotal</i>	<u>\$ 1,012</u>	<u>\$ 927</u>	<u>\$ 596</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>	
Contractual Svc.								
10	29 90	Other Misc	-	-	32	-	-	
		<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32</u>	<u>\$ -</u>	<u>\$ -</u>	
Operating Supplies								
11	34 90	Operating Supplies - Other Misc	\$ 296	\$ 363	\$ 234	\$ 500	500	
Repair & Maint Supplies								
12	35 10	Fuel & Oil	\$ 75,347	\$ 82,418	\$ 74,688	\$ 78,000	78,000	
13	35 30	Mach/Equipment	1,813	5,980	2,106	5,000	5,000	
14	35 90	Misc	41	24,571	15	25,000	25,000	
		<i>Subtotal</i>	<u>\$ 77,201</u>	<u>\$ 112,969</u>	<u>\$ 76,808</u>	<u>\$ 108,000</u>	<u>\$ 108,000</u>	
Depreciation								
15	54 10	Depreciation	\$ 70,740	\$ 76,048	\$ 65,977	\$ 74,599	-\$ (74,599)	A
		Subtotal (5362)	<u>\$ 595,700</u>	<u>\$ 578,956</u>	<u>\$ 581,016</u>	<u>\$ 611,722</u>	<u>\$ 537,123</u>	
SOLID WASTE DISPOSAL - 5363								
Salaries								
16	11 10	Permanent - Regular	\$ 250,686	\$ 264,162	\$ 270,654	\$ 291,456	291,456	
17	11 20	Perm - Overtime	16,443	20,740	15,426	14,000	14,000	
18	11 50	PT/Temp - Regular	51,632	30,594	20,761	21,291	21,291	
		<i>Subtotal</i>	<u>\$ 318,761</u>	<u>\$ 315,496</u>	<u>\$ 306,841</u>	<u>\$ 326,747</u>	<u>\$ 326,747</u>	
Employer Contribution								
19	15 10	Soc Security	\$ 23,752	\$ 22,823	\$ 22,220	\$ 23,810	23,810	
20	15 20	Employer WRF	19,947	18,061	21,916	21,787	21,787	
21	15 25	Empl Retirement	6,235	6,829	5,266	5,447	5,447	
22	15 40	Hlth Insurance	85,808	106,179	119,719	120,496	120,496	
23	15 50	Life Insurance	749	729	778	1,056	1,056	
24	15 60	Workers Comp	13,537	13,656	14,016	17,481	17,481	
25	15 80	Unemployment Comp	714	263	4,399	2,000	2,000	
26	15 94	Misc	-	-	-	-	-	
		<i>Subtotal</i>	<u>\$ 166,044</u>	<u>\$ 168,539</u>	<u>\$ 188,315</u>	<u>\$ 192,077</u>	<u>\$ 192,077</u>	

City of Superior
Budget

		FY 2011 Actual	FY 2012 Actual	FY 2013 Projection	FY 2014 Budget Proposed	Adjustments	Test Year	Comments
Professional Svc.								
27	21 20 Legal	\$ 450	\$ -	\$ 12,032	\$ 5,000		5,000	
28	21 30 Audit	2,516	2,740	2,879	3,000		3,000	
29	21 50 Engineering/Architecture	204,853	293,373	229,397	200,000		200,000	
	<i>Subtotal</i>	<u>\$ 207,819</u>	<u>\$ 296,113</u>	<u>\$ 244,308</u>	<u>\$ 208,000</u>		<u>\$ 208,000</u>	
Utility Services								
30	22 20 General	\$ 8,524	\$ 8,373	\$ 10,320	\$ 11,500		11,500	
31	22 50 Telephone	3,428	2,175	2,312	2,500		2,500	
	<i>Subtotal</i>	<u>\$ 11,952</u>	<u>\$ 10,548</u>	<u>\$ 12,632</u>	<u>\$ 14,000</u>		<u>\$ 14,000</u>	
Repr & Maint Svc.								
32	24 20 Mach/Equip	6,047	10,817	75,221	20,000		20,000	
33	24 50 Grounds	427	28,394	500	500		500	
34	24 70 Buildings	61	2,369	1,000	1,000		1,000	
35	24 90 Other Misc	32,855	22,660	36,024	25,000		25,000	
	<i>Subtotal</i>	<u>\$ 39,711</u>	<u>\$ 111,164</u>	<u>\$ 112,745</u>	<u>\$ 46,500</u>		<u>\$ 46,500</u>	
Contractual Svc.								
36	29 90 Misc	98,009	59,519	97,007	130,000		130,000	
37	29 95 Leachate Treatment	3,747	104,168	72,152	60,000		60,000	
	<i>Subtotal</i>	<u>\$ 101,756</u>	<u>\$ 163,687</u>	<u>\$ 169,159</u>	<u>\$ 190,000</u>		<u>\$ 190,000</u>	
Office Supplies								
38	31 90 Office Supplies	\$ 935	\$ 965	\$ 1,400	\$ 1,200		1,200	
Pubs, Subs, Dues								
39	32 10 Publication, Subs, Dues	\$ 8,920	\$ 12,713	\$ 12,254	\$ 7,000		7,000	
Travel & Training								
40	33 40 Travel and Training	\$ 715	\$ 742	\$ 500	\$ 1,000		1,000	
Operating Supplies								
41	34 90 Other Misc	\$ 34,475	\$ 45,672	\$ 13,419	\$ 15,000		15,000	
Repair & Maint Supplies								
42	35 10 Fuel & Oil	\$ 187,736	\$ 156,551	\$ 172,509	\$ 174,000		174,000	
43	35 30 Equipment	552	284	81,679	20,000		20,000	
44	35 90 Misc	16,382	16,348	11,788	15,000		15,000	
	<i>Subtotal</i>	<u>\$ 204,774</u>	<u>\$ 173,733</u>	<u>\$ 265,976</u>	<u>\$ 209,000</u>		<u>\$ 209,000</u>	

City of Superior
Budget

			FY 2011 Actual	FY 2012 Actual	FY 2013 Projection	FY 2014 Budget Proposed	Adjustments	Test Year	Comments
Other Supplies Exp.									
45	39 10	Other Supplies	\$ 158,176	\$ 271,698	\$ 225,000	\$ 225,000	\$ 348,747	573,747	B
Insurance									
46	51 30	Insurance	\$ 11,500	\$ 11,845	\$ 12,200	\$ 18,422		18,422	
Rents & Leases									
47	53 30	Mach/Equip	\$ 923	\$ 268	\$ 500	\$ 500		500	
48	53 90	Misc	-	-	-	81,801		81,801	
		<i>Subtotal</i>	\$ 923	\$ 268	\$ 500	\$ 82,301		\$ 82,301	
Depreciation									
49	54 10	Depreciation	\$ 434,529	\$ 699,430	\$ 1,201,556	\$ 1,497,387	\$ (1,497,387)	-	A
Licenses & Permits									
50	59 10	Licenses & Permits	\$ 1,770,010	\$ 1,563,761	\$ 1,769,745	\$ 1,496,550		1,496,550	
		Subtotal (5363)	\$ 3,470,998	\$ 3,846,375	\$ 4,536,551	\$ 4,530,185		\$ 3,381,545	
RECYCLING - 5364									
Salaries									
51	11 10	Permanent-Regular	\$ 8,326	\$ 7,926	\$ 8,051	\$ 8,289		8,289	
		<i>Subtotal</i>	\$ 8,326	\$ 7,926	\$ 8,051	\$ 8,289		\$ 8,289	
Employer Cont.									
52	15 10	Soc Security	\$ 628	\$ 594	\$ 604	\$ 634		634	
53	15 20	Employer WRF	525	468	539	580		580	
54	15 25	Empl Retirement	191	182	140	145		145	
55	15 40	Hlth Insurance	1,494	1,125	1,125	1,125		1,125	
56	15 50	Life Insurance	15	14	14	23		23	
57	15 60	Workers Comp	18	18	16	17		17	
		<i>Subtotal</i>	\$ 3,120	\$ 2,400	\$ 2,438	\$ 2,524		\$ 2,524	
Contractual Svc.									
58	29 90	Misc	453,953	441,287	432,503	397,000		397,000	
		<i>Subtotal</i>	\$ 453,953	\$ 441,287	\$ 432,503	\$ 397,000		\$ 397,000	
		Subtotal (5364)	\$ 465,679	\$ 451,614	\$ 442,991	\$ 407,813		\$ 407,813	
DEBT SERVICE - 5820									
Debt Service/Interest									
59	62 10	Misc	\$ 166,054	\$ 208,403	\$ 245,184	\$ 214,096	\$ 825,000	1,039,096	D
Other Debt Service									
60	69 10	Misc	\$ 5,814	\$ 27,897	\$ 1,200	\$ 1,200		1,200	
Transfers									
61	90 20	Misc	\$ -	\$ -	\$ -	\$ -		-	
62	90 41	Misc	-	-	-	-		-	
		Subtotal (5820)	\$ 171,868	\$ 236,301	\$ 246,384	\$ 215,296		\$ 1,040,296	

City of Superior
Budget

		FY 2011 Actual	FY 2012 Actual	FY 2013 Projection	FY 2014 Budget Proposed	Adjustments	Test Year	Comments
TRANSFER TO OTHER FUNDS								
Other Debt Service								
63	69 10 Interest	\$ 2,995	\$ -	\$ -	\$ -		-	
Transfers								
64	90 20 Transfer to Other Funds	\$ 183,128	\$ 172,680	\$ 185,658	\$ 191,228		\$ 191,228	
65	90 41 Transfer to Stormwater Utility	5,336	5,273	5,883	6,177		6,177	
	<i>Subtotal</i>	<u>\$ 188,464</u>	<u>\$ 177,953</u>	<u>\$ 191,541</u>	<u>\$ 197,405</u>		<u>\$ 197,405</u>	
	Subtotal (Transfers)	\$ 191,459	\$ 177,953	\$ 191,541	\$ 197,405		\$ 197,405	
66	CAPITAL IMPROVEMENT PROJECTS Capital Improvement Projects					\$ 992,490	992,490	E
							992,490	
TOTAL EXPENSES		\$ 4,895,705	\$ 5,291,199	\$ 5,998,483	\$ 5,962,420		\$ 6,556,672	
REVENUE OFFSETS								
67	Special Assessment	\$ 4,115	\$ 2,024	\$ -	\$ -		-	
68	Federal Grant - FEMA		-	-	-		-	
69	Federal Interest Rebate	82,511	2,588	28,349	25,000		25,000	
70	Recycling Grant	93,756	101,063	101,089	100,000		100,000	
71	3rd Party Disposal	496,494	598,997	531,093	549,600	\$ (549,600)	-	F
72	WLSRD Disposal	3,386,750	3,452,093	3,406,071	3,454,801	\$ (3,454,801)	-	F
73	Dredging Disposal			496,000			-	
74	Sewer Sludge	138,886	122,030	173,313	168,300	\$ (168,300)	-	F
75	Interest Revenue	54,960	63,108	50,000	50,000		50,000	
76	Rent-Extra Containers	4,090	6,325	7,183	9,000		9,000	
77	Sale of Curbside Bins	-	-	-	-		-	
78	Sale of Assets for Scrap	3,750	3,233	1,170	1,000		1,000	
79	Insurance Rebates	8,439	8,738	7,000	7,000		7,000	
80	Other Misc. Revenue	-	7,632	-	-	\$ 141,600	141,600	G
81	Carbon Credits	152,424	150,348	150,000	100,000		100,000	
82	Misc-Gain on Sale/Trade	3,600					-	
		<u>\$ 4,429,775</u>	<u>\$ 4,518,179</u>	<u>\$ 4,951,268</u>	<u>\$ 4,464,701</u>		<u>\$ 433,600</u>	
83	Transf from Gen Fund	\$ 845,000	\$ 922,000	\$ 955,298	\$ 1,000,000	\$ (1,000,000)	-	
		<u>\$ 5,274,775</u>	<u>\$ 5,440,179</u>	<u>\$ 5,906,566</u>	<u>\$ 5,464,701</u>		<u>\$ 433,600</u>	
NET COST OF SERVICE		\$ (379,070)	\$ (148,980)	\$ 91,917	\$ 497,719		\$ 6,123,072	

Comment Legend

- A** Depreciation reflected via CIP (Schedule 3).
- B** Adjusted to reflect Closure/Post Closure costs needed on an annual basis.
- C** Adjusted per City staff.
- D** Reflects actual debt.
- E** Capital Improvement Projects - for more detail see Schedule 3.
- F** To be determined based on the cost of service analysis and resulting proposed rates.
- G** Revenues associated with Shamrock Paper Fiber Contract.

		Year 1	Year 2	Year 3	Year 4	Year 5
		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Existing Debt						
1	09 Notes					
	<i>Principal</i>	\$ 200,000	\$ 205,000	\$ 215,000	\$ 220,000	\$ 230,000
	<i>Interest</i>	44,345	38,345	31,683	24,158	16,458
		<u>\$ 244,345</u>	<u>\$ 243,345</u>	<u>\$ 246,683</u>	<u>\$ 244,158</u>	<u>\$ 246,458</u>
2	10 Notes					
	<i>Principal</i>	\$ 295,000	\$ 305,000	\$ 310,000	\$ 315,000	\$ 325,000
	<i>Interest</i>	82,626	74,809	65,278	54,428	42,300
		<u>\$ 377,626</u>	<u>\$ 379,809</u>	<u>\$ 375,278</u>	<u>\$ 369,428</u>	<u>\$ 367,300</u>
3	11 Bonds					
	<i>Principal</i>	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
	<i>Interest</i>	37,125	35,125	33,125	31,125	29,125
		<u>\$ 137,125</u>	<u>\$ 135,125</u>	<u>\$ 133,125</u>	<u>\$ 131,125</u>	<u>\$ 129,125</u>
4	12 Bonds					
	<i>Principal</i>	\$ 230,000	\$ 235,000	\$ 240,000	\$ 240,000	\$ 245,000
	<i>Interest</i>	50,000	45,400	40,700	35,900	31,100
		<u>\$ 280,000</u>	<u>\$ 280,400</u>	<u>\$ 280,700</u>	<u>\$ 275,900</u>	<u>\$ 276,100</u>
	Existing Debt Total	\$ 1,039,096	\$ 1,038,679	\$ 1,035,786	\$ 1,020,611	\$ 1,018,983
Proposed Debt						
5						
	<i>Principal</i>	\$ -	\$ -	\$ -	\$ -	\$ -
	<i>Interest</i>	-	-	-	-	-
	Proposed Debt Total	\$ -	\$ -	\$ -	\$ -	\$ -
	Total Debt	\$ 1,039,096	\$ 1,038,679	\$ 1,035,786	\$ 1,020,611	\$ 1,018,983

Asset Addition Costs (Adjusted for Inflation)

Year	Description	Year 1 - 2014	Year 2 - 2015	Year 3 - 2016	Year 4 - 2017	Year 5 - 2018
Asset Additions						
	2011 Brush Chipper	-	-	-	-	-
	2014 Air Compressor	20,000	-	-	-	-
	2012 Frontload Packer Body	-	-	-	-	-
	2012 Litter Fence	-	-	-	-	-
	2013 Balance of NCELL5	-	-	-	-	-
	2013 Compudyne-Network Connection	-	-	-	-	-
	2015 Replace '06 Loader #352	-	204,000	-	-	-
	2014 Qty 2 - Garbage Trucks	480,000	-	-	-	-
	2014 Phase III Cap	1,120,000	-	-	-	-
	2013 Rplc.'98 Compactor #355	-	-	-	-	-
	2015 Chevy 1/2 Ton P/U	-	30,600	-	-	-
	2016 Qty 2 - Garbage Trucks	-	-	530,604	-	-
	2016 Replace '09 Dozer #354	-	-	728,280	-	-
	2017 Rplc.'07 Compactor #351	-	-	-	848,966	-
	New Cell Design & Construction Costs ¹	200,000	200,000	200,000	200,000	200,000
	Subtotal	\$ 1,820,000	\$ 434,600	\$ 1,458,884	\$ 1,048,966	\$ 200,000
	Average Cost per Year	\$ 992,490	\$ 992,490	\$ 992,490	\$ 992,490	\$ 992,490

1. Not adjusted for inflation.

		Year 1- Test Year FY 2014	Year 2 FY 2015	Year 3 FY 2016	Year 4 FY 2017	Year 5 FY 2018
EXPENSES						
GARBAGE COLLECTION - 5362						
Salaries						
1	11 10 Permanent-Regular	\$ 267,478	\$ 272,828	\$ 278,284	\$ 283,850	\$ 289,527
2	11 20 Permanent-Overtime	3,500	3,570	3,641	3,714	3,789
	<i>Subtotal</i>	<u>\$ 270,978</u>	<u>\$ 276,398</u>	<u>\$ 281,926</u>	<u>\$ 287,564</u>	<u>\$ 293,315</u>
Employer Contribution						
3	15 10 Benefits Soc Security	\$ 20,194	\$ 20,800	\$ 21,424	\$ 22,067	\$ 22,729
4	15 20 Benefits - Employer WRF	18,478	19,032	19,603	20,191	20,797
5	15 25 Benefits - Empl Retirement	4,620	4,759	4,901	5,048	5,200
6	15 40 Benefits - Hlth Insurance	90,532	92,343	94,189	96,073	97,995
7	15 50 Benefits - Life Insurance	825	842	858	875	893
8	15 60 Benefits - Workers Comp	21,996	22,656	23,336	24,036	24,757
	<i>Subtotal</i>	<u>\$ 156,645</u>	<u>\$ 160,431</u>	<u>\$ 164,312</u>	<u>\$ 168,291</u>	<u>\$ 172,370</u>
Utility Services						
9	22 50 Telephone	1,000	1,020	1,040	1,061	1,082
	<i>Subtotal</i>	<u>\$ 1,000</u>	<u>\$ 1,020</u>	<u>\$ 1,040</u>	<u>\$ 1,061</u>	<u>\$ 1,082</u>
Contractual Svc.						
10	29 90 Other Misc	-	-	-	-	-
	<i>Subtotal</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Operating Supplies						
11	34 90 Operating Supplies - Other Misc	\$ 500	\$ 510	\$ 520	\$ 531	\$ 541
Repair & Maint Supplies						
12	35 10 Fuel & Oil	\$ 78,000	\$ 80,340	\$ 82,750	\$ 85,233	\$ 87,790
13	35 30 Mach/Equipment	5,000	5,100	5,202	5,306	5,412
14	35 90 Misc	25,000	26,010	26,010	27,061	27,061
	<i>Subtotal</i>	<u>\$ 108,000</u>	<u>\$ 85,440</u>	<u>\$ 113,962</u>	<u>\$ 90,539</u>	<u>\$ 120,263</u>
Depreciation						
15	54 10 Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -
	Subtotal (5362)	<u>\$ 537,123</u>	<u>\$ 523,798</u>	<u>\$ 561,760</u>	<u>\$ 547,985</u>	<u>\$ 587,572</u>
SOLID WASTE DISPOSAL - 5363						
Salaries						
16	11 10 Permanent - Regular	\$ 291,456	\$ 297,285	\$ 303,231	\$ 309,295	\$ 315,481
17	11 20 Perm - Overtime	14,000	14,280	14,566	14,857	15,154
18	11 50 PT/Temp - Regular	21,291	21,717	22,151	22,594	23,046
	<i>Subtotal</i>	<u>\$ 326,747</u>	<u>\$ 333,282</u>	<u>\$ 339,948</u>	<u>\$ 346,747</u>	<u>\$ 353,681</u>
Employer Contribution						
19	15 10 Soc Security	\$ 23,810	\$ 24,524	\$ 25,260	\$ 26,018	\$ 26,798
20	15 20 Employer WRF	21,787	22,441	23,114	23,807	24,521
21	15 25 Empl Retirement	5,447	5,610	5,779	5,952	6,131
22	15 40 Hlth Insurance	120,496	122,906	125,364	127,871	130,429
23	15 50 Life Insurance	1,056	1,077	1,099	1,121	1,143
24	15 60 Workers Comp	17,481	18,005	18,546	19,102	19,675
25	15 80 Unemployment Comp	2,000	2,060	2,122	2,185	2,251
26	15 94 Misc	-	-	-	-	-
	<i>Subtotal</i>	<u>\$ 192,077</u>	<u>\$ 196,624</u>	<u>\$ 201,283</u>	<u>\$ 206,057</u>	<u>\$ 210,948</u>

City of Superior
Net Cost of Service

		Year 1- Test Year FY 2014	Year 2 FY 2015	Year 3 FY 2016	Year 4 FY 2017	Year 5 FY 2018
Professional Svc.						
27	21 20 Legal	\$ 5,000	\$ 5,100	\$ 5,202	\$ 5,306	\$ 5,412
28	21 30 Audit	3,000	3,060	3,121	3,184	3,247
29	21 50 Engineering/Architecture	200,000	204,000	208,080	212,242	216,486
	21 80	-	-	-	-	-
	<i>Subtotal</i>	<u>\$ 208,000</u>	<u>\$ 212,160</u>	<u>\$ 216,403</u>	<u>\$ 220,731</u>	<u>\$ 225,146</u>
Utility Services						
30	22 20 General	\$ 11,500	\$ 11,730	\$ 11,965	\$ 12,204	\$ 12,448
31	22 50 Telephone	2,500	2,550	2,601	2,653	2,706
	<i>Subtotal</i>	<u>\$ 14,000</u>	<u>\$ 14,280</u>	<u>\$ 14,566</u>	<u>\$ 14,857</u>	<u>\$ 15,154</u>
Repr & Maint Svc.						
32	24 20 Mach/Equip	20,000	20,400	20,808	21,224	21,649
33	24 50 Grounds	500	510	520	531	541
34	24 70 Buildings	1,000	1,020	1,040	1,061	1,082
35	24 90 Other Misc	25,000	25,500	26,010	26,530	27,061
	<i>Subtotal</i>	<u>\$ 46,500</u>	<u>\$ 47,430</u>	<u>\$ 48,379</u>	<u>\$ 49,346</u>	<u>\$ 50,333</u>
Contractual Svc.						
36	29 90 Misc	130,000	132,600	135,252	137,957	140,716
37	29 95 Leachate Treatment	60,000	61,200	62,424	63,672	64,946
	<i>Subtotal</i>	<u>\$ 190,000</u>	<u>\$ 193,800</u>	<u>\$ 197,676</u>	<u>\$ 201,630</u>	<u>\$ 205,662</u>
Office Supplies						
38	31 90 Office Supplies	\$ 1,200	\$ 1,224	\$ 1,248	\$ 1,273	\$ 1,299
Pubs, Subs, Dues						
39	32 10 Publication, Subs, Dues	\$ 7,000	\$ 7,140	\$ 7,283	\$ 7,428	\$ 7,577
Travel & Training						
40	33 40 Travel and Training	\$ 1,000	\$ 1,020	\$ 1,040	\$ 1,061	\$ 1,082
Operating Supplies						
41	34 90 Other Misc	\$ 15,000	\$ 15,300	\$ 15,606	\$ 15,918	\$ 16,236
Repair & Maint Supplies						
42	35 10 Fuel & Oil	\$ 174,000	\$ 179,220	\$ 184,597	\$ 190,134	\$ 195,839
43	35 30 Equipment	20,000	20,400	20,808	21,224	21,649
44	35 90 Misc	15,000	15,300	15,606	15,918	16,236
	<i>Subtotal</i>	<u>\$ 209,000</u>	<u>\$ 214,920</u>	<u>\$ 221,011</u>	<u>\$ 227,277</u>	<u>\$ 233,724</u>
Other Supplies Exp.						
45	39 10 Other Supplies	\$ 573,747	\$ 573,747	\$ 573,747	\$ 573,747	\$ 573,747
Insurance						
46	51 30 Insurance	\$ 18,422	\$ 18,790	\$ 19,166	\$ 19,550	\$ 19,941
Rents & Leases						
47	53 30 Mach/Equip	\$ 500	\$ 510	\$ 520	\$ 531	\$ 541
48	53 90 Misc	81,801	83,437	85,106	86,808	88,544
	<i>Subtotal</i>	<u>\$ 82,301</u>	<u>\$ 83,947</u>	<u>\$ 85,626</u>	<u>\$ 87,339</u>	<u>\$ 89,086</u>
Depreciation						
49	54 10 Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses & Permits						
50	59 10 Licenses & Permits	\$ 1,496,550	\$ 1,526,481	\$ 1,557,011	\$ 1,588,151	\$ 1,619,914
	Subtotal (5363)	<u>\$ 3,381,545</u>	<u>\$ 3,440,146</u>	<u>\$ 3,499,993</u>	<u>\$ 3,561,112</u>	<u>\$ 3,623,531</u>

City of Superior
Net Cost of Service

		Year 1- Test Year FY 2014	Year 2 FY 2015	Year 3 FY 2016	Year 4 FY 2017	Year 5 FY 2018
RECYCLING - 5364						
Salaries						
51	11 10 Permanent-Regular	\$ 8,289	\$ 8,455	\$ 8,624	\$ 8,796	\$ 8,972
	<i>Subtotal</i>	<u>\$ 8,289</u>	<u>\$ 8,455</u>	<u>\$ 8,624</u>	<u>\$ 8,796</u>	<u>\$ 8,972</u>
Employer Cont.						
52	15 10 Soc Security	\$ 634	\$ 653	\$ 673	\$ 693	\$ 714
53	15 20 Employer WRF	580	597	615	634	653
54	15 25 Empl Retirement	145	149	154	158	163
55	15 40 Hlth Insurance	1,125	1,148	1,170	1,194	1,218
56	15 50 Life Insurance	23	23	24	24	25
57	15 60 Workers Comp	17	18	18	19	19
	<i>Subtotal</i>	<u>\$ 2,524</u>	<u>\$ 2,588</u>	<u>\$ 2,654</u>	<u>\$ 2,722</u>	<u>\$ 2,791</u>
Contractual Svc.						
58	29 90 Misc	397,000	404,940	413,039	421,300	429,726
	29 95					
	<i>Subtotal</i>	<u>\$ 397,000</u>	<u>\$ 404,940</u>	<u>\$ 413,039</u>	<u>\$ 421,300</u>	<u>\$ 429,726</u>
	Subtotal (5364)	<u>\$ 407,813</u>	<u>\$ 415,983</u>	<u>\$ 424,317</u>	<u>\$ 432,818</u>	<u>\$ 441,489</u>
DEBT SERVICE - 5820						
Debt Service/Interest						
59	62 10 Misc	\$ 1,039,096	\$ 1,038,679	\$ 1,035,786	\$ 1,020,611	\$ 1,018,983
Other Debt Service						
60	69 10 Misc	\$ 1,200	\$ 1,224	\$ 1,248	\$ 1,273	\$ 1,299
Transfers						
61	90 20 Misc	\$ -	\$ -	\$ -	\$ -	\$ -
62	90 41 Misc	-	-	-	-	-
	Subtotal (5820)	<u>\$ 1,040,296</u>	<u>\$ 1,039,903</u>	<u>\$ 1,037,034</u>	<u>\$ 1,021,884</u>	<u>\$ 1,020,281</u>
TRANSFER TO OTHER FUNDS						
Other Debt Service						
63	69 10 Interest	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers						
64	90 20 Transfer to Other Funds	\$ 191,228	\$ 195,052	\$ 198,953	\$ 202,932	\$ 206,991
65	90 41 Transfer to Stormwater Utility	6,177	6,301	6,427	6,555	6,686
	<i>Subtotal</i>	<u>\$ 197,405</u>	<u>\$ 201,353</u>	<u>\$ 205,380</u>	<u>\$ 209,488</u>	<u>\$ 213,677</u>
	Subtotal (Transfers)	<u>\$ 197,405</u>	<u>\$ 201,353</u>	<u>\$ 205,380</u>	<u>\$ 209,488</u>	<u>\$ 213,677</u>
66	CAPITAL IMPROVEMENT PROJEC1 Capital Improvement Projects	992,490	992,490	992,490	992,490	992,490
		<u>\$ 992,490</u>	<u>\$ 992,490</u>	<u>\$ 992,490</u>	<u>\$ 992,490</u>	<u>\$ 992,490</u>
	TOTAL EXPENSES	<u>\$ 6,556,672</u>	<u>\$ 6,613,673</u>	<u>\$ 6,720,974</u>	<u>\$ 6,765,776</u>	<u>\$ 6,879,041</u>

City of Superior
Net Cost of Service

	Year 1- Test Year FY 2014	Year 2 FY 2015	Year 3 FY 2016	Year 4 FY 2017	Year 5 FY 2018
REVENUE OFFSETS					
67	Special Assessment	\$ -	\$ -	\$ -	\$ -
68	Federal Grant - FEMA	-	-	-	-
69	Federal Interest Rebate	25,000	25,000	25,000	25,000
70	Recycling Grant	100,000	100,000	100,000	100,000
71	3rd Party Disposal	-	-	-	-
72	WLSSD Disposal	-	-	-	-
73	Dredging Disposal	-	-	-	-
74	Sewer Sludge	-	-	-	-
75	Interest Revenue	50,000	50,000	50,000	50,000
76	Rent-Extra Containers	9,000	9,000	9,000	9,000
77	Sale of Curbside Bins	-	-	-	-
78	Sale of Assets for Scrap	1,000	1,000	1,000	1,000
79	Insurance Rebates	7,000	7,000	7,000	7,000
80	Other Misc. Revenue	141,600	151,200	160,800	170,400
81	Carbon Credits	100,000	100,000	100,000	100,000
82	Misc-Gain on Sale/Trade	-	-	-	-
	\$ 433,600	\$ 443,200	\$ 452,800	\$ 462,400	\$ 462,400
NET COST OF SERVICE	\$ 6,123,072	\$ 6,170,473	\$ 6,268,174	\$ 6,303,376	\$ 6,416,641

City of Superior
Net Cost of Service Summary

	Year 1 FY 2014	Year 2 FY 2015	Year 3 FY 2016	Year 4 FY 2017	Year 5 FY 2018
Administration	\$ 308,772	\$ 316,241	\$ 325,253	\$ 333,044	\$ 342,440
Garbage Collection					
Residential	473,500	481,891	490,479	499,268	508,264
Frontload Truck	66,050	67,884	69,764	71,693	73,672
Spring/Fall Clean-up	85,922	88,000	90,130	92,313	94,552
Recycling					
Residential Curbside	297,000	304,940	313,039	321,300	329,726
Landfill					
Refuse	4,841,044	4,859,651	4,926,534	4,931,652	5,012,723
Brush Grinding	7,447	7,606	7,768	7,935	8,104
Mattresses	1,923	1,964	2,006	2,049	2,093
Tires	1,923	1,964	2,006	2,049	2,093
Leaves	7,447	7,606	7,768	7,935	8,104
Oil, Oils Filter, etc	1,923	1,964	2,006	2,049	2,093
Household Hazardous Waste	30,120	30,763	31,419	32,090	32,776
Total	\$ 6,123,072	\$ 6,170,473	\$ 6,268,174	\$ 6,303,376	\$ 6,416,641

City of Superior
Indirect Cost Allocation

	Year 1	Year 2	Year 3	Year 4	Year 5
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Administration	\$ 308,772	\$ 316,241	\$ 325,253	\$ 333,044	\$ 342,440
Garbage Collection					
Residential	\$ 25,146	\$ 26,031	\$ 26,844	\$ 27,851	\$ 28,654
Frontload Truck	3,508	3,667	3,818	3,999	4,153
Spring/Fall Clean-up	4,563	4,754	4,933	5,150	5,330
Recycling		-	-	-	-
Residential Curbside	15,772	16,473	17,132	17,923	18,589
Landfill		-	-	-	-
Refuse	257,087	262,515	269,627	275,103	282,598
Brush Grinding	395	411	425	443	457
Mattresses	102	106	110	114	118
Tires	102	106	110	114	118
Leaves	395	411	425	443	457
Oil, Oils Filter, etc	102	106	110	114	118
Household Hazardous Waste	1,600	1,662	1,720	1,790	1,848
	\$ 308,772	\$ 316,241	\$ 325,253	\$ 333,044	\$ 342,440

City of Superior
Disposal Cost of ServiceSchedule 7
4/29/2014

	Year 1 FY 2014	Year 2 FY 2015	Year 3 FY 2016	Year 4 FY 2017	Year 5 FY 2018
Disposal Cost Allocation	\$ 4,841,044	\$ 4,859,651	\$ 4,926,534	\$ 4,931,652	\$ 5,012,723
Indirect Disposal Cost	257,087	262,515	269,627	275,103	282,598
Total Disposal Costs	\$ 5,098,131	\$ 5,122,166	\$ 5,196,161	\$ 5,206,755	\$ 5,295,321
Tons Charged by Customer Class					
Total WLSSD Contracted MSW	93,000	93,000	93,000	93,000	93,000
Total City MSW	10,200	10,200	10,200	10,200	10,200
Total 3rd Party Tonnage:	8,000	8,000	8,000	8,000	8,000
Sludge	3,300	3,300	3,300	3,300	3,300
Total	114,500	114,500	114,500	114,500	114,500
Average Cost per Ton	\$ 44.53	\$ 44.74	\$ 45.38	\$ 45.47	\$ 46.25
Revenue Recovered by Customer Class					
Total WLSSD Contracted MSW	\$ 3,412,170	\$ 3,454,950	\$ 3,523,897	\$ 3,594,375	\$ 3,666,263
Total City MSW	520,200	530,604	541,216	552,040	563,081
Total 3rd Party Tonnage:	408,000	416,160	424,483	432,973	441,632
Sludge	168,300	171,666	175,099	178,601	182,173
Total	\$ 4,508,670	\$ 4,573,380	\$ 4,664,696	\$ 4,757,990	\$ 4,853,150
Over/Under Recover	(\$589,461)	(\$548,786)	(\$531,465)	(\$448,765)	(\$442,172)
Cumulative Over/Under Recovery		(\$1,138,247)	(\$1,669,712)	(\$2,118,477)	(\$2,560,649)

	Year 1 FY 2014	Year 2 FY 2015	Year 3 FY 2016	Year 4 FY 2017	Year 5 FY 2018
Direct Costs					
Garbage Collection					
Residential	\$ 473,500	\$ 481,891	\$ 490,479	\$ 499,268	\$ 508,264
Spring/Fall Clean-up	85,922	88,000	90,130	92,313	94,552
Recycling					
Residential Curbside	297,000	304,940	313,039	321,300	329,726
Household Hazardous Waste	30,120	30,763	31,419	32,090	32,776
Landfill Recycling (Mattresses, Tires, Etc.)	20,663	21,104	21,555	22,016	22,487
Subtotal - Direct	\$ 907,205	\$ 926,698	\$ 946,622	\$ 966,988	\$ 987,805
Overhead/Indirect (Administration)					
Garbage Collection					
Residential	\$ 25,146	\$ 26,031	\$ 26,844	\$ 27,851	\$ 28,654
Spring/Fall Clean-up	4,563	4,754	4,933	5,150	5,330
Recycling					
Residential Curbside	15,772	16,473	17,132	17,923	18,589
Household Hazardous Waste	1,600	1,662	1,720	1,790	1,848
Landfill Recycling (Mattresses, Tires, Etc.)	1,097	1,140	1,180	1,228	1,268
Subtotal - Indirect	\$ 48,178	\$ 50,060	\$ 51,808	\$ 53,942	\$ 55,689
Total Collection					
Households	\$ 955,383	\$ 976,757	\$ 998,430	\$ 1,020,929	\$ 1,043,494
Disposal					
Households	\$ 478,076	\$ 487,638	\$ 497,390	\$ 507,338	\$ 517,485
Customers - Active Accounts					
Households	9,950	9,950	9,950	9,950	9,950
Total with Disposal					
Households	\$ 1,433,459	\$ 1,464,395	\$ 1,495,821	\$ 1,528,267	\$ 1,560,979
Monthly Residential User Fee					
Direct Collection Costs					
Residential Garbage Collection	\$ 3.97	\$ 4.04	\$ 4.11	\$ 4.18	\$ 4.26
Spring/Fall Clean-up	0.72	0.74	0.75	0.77	0.79
Residential Curbside Recycling	2.49	2.55	2.62	2.69	2.76
Household Hazardous Waste	0.25	0.26	0.26	0.27	0.27
Disposal	4.00	4.08	4.17	4.25	4.33
Landfill Recycling (Mattresses, Tires, Etc.)	0.17	0.18	0.18	0.18	0.19
Indirect Collection Costs					
Administration	0.40	0.42	0.43	0.45	0.47
Subtotal	\$ 12.01	\$ 12.26	\$ 12.53	\$ 12.80	\$ 13.07
Landfill-Financial Stabilization Reserve	\$ 4.30	\$ 4.30	\$ 4.30	\$ 4.30	\$ 4.30
Total Cost per Month	\$ 16.31	\$ 16.56	\$ 16.83	\$ 17.10	\$ 17.37

	Year 1 FY 2014	Year 2 FY 2015	Year 3 FY 2016	Year 4 FY 2017	Year 5 FY 2018
Front Load Cost of Service					
Front Load Direct Costs	\$ 66,050	\$ 67,884	\$ 69,764	\$ 71,693	\$ 73,672
Front Load Indirect Costs	\$ 3,508	\$ 3,667	\$ 3,818	\$ 3,999	\$ 4,153
Total Collection Costs	\$ 69,558	\$ 71,551	\$ 73,582	\$ 75,693	\$ 77,826
Disposal	\$ 42,124	\$ 42,966	\$ 43,826	\$ 44,702	\$ 45,596
Annual Number of Lifts	5,772	5,772	5,772	5,772	5,772
Total with Disposal	\$ 111,681	\$ 114,517	\$ 117,408	\$ 120,395	\$ 123,422
Front Load User Fee					
Direct Collection Costs					
Front Load Garbage Collection	\$ 11.44	\$ 11.76	\$ 12.09	\$ 12.42	\$ 12.76
Disposal	7.30	7.44	7.59	7.74	7.90
Indirect Collection Costs					
Administration	0.61	0.64	0.66	0.69	0.72
Subtotal	\$ 19.35	\$ 19.84	\$ 20.34	\$ 20.86	\$ 21.38
Landfill-Financial Stabilization Reserve	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75
Cost per Lift	\$ 22.10	\$ 22.59	\$ 23.09	\$ 23.61	\$ 24.13

City of Superior
Revenue Reconciliation

	Year 1 FY 2014	Year 2 FY 2015	Year 3 FY 2016	Year 4 FY 2017	Year 5 FY 2018
Cost of Service	\$ 6,123,072	\$ 6,170,473	\$ 6,268,174	\$ 6,303,376	\$ 6,416,641
Garbage Collection					
Residential (Includes Recycling)	\$ 1,946,879	\$ 1,977,815	\$ 2,009,241	\$ 2,041,687	\$ 2,074,399
Frontload Truck	127,547	130,382	133,273	136,260	139,287
Subtotal	\$ 2,074,426	\$ 2,108,197	\$ 2,142,514	\$ 2,177,948	\$ 2,213,686
Landfill					
Total WLSSD Contracted MSW	\$ 3,412,170	\$ 3,454,950	\$ 3,523,897	\$ 3,594,375	\$ 3,666,263
Total 3rd Party Tonnage:	408,000	416,160	424,483	432,973	441,632
Superior Grit/Sludge:	127,500	130,050	132,651	135,304	138,010
Duluth/WLSSD Grit/Sludge:	40,800	41,616	42,448	43,297	44,163
Subtotal	\$ 3,988,470	\$ 4,042,776	\$ 4,123,480	\$ 4,205,949	\$ 4,290,068
Total	\$ 6,062,896	\$ 6,150,973	\$ 6,265,994	\$ 6,383,897	\$ 6,503,754
Over/Under	(\$60,176)	(\$19,500)	(\$2,180)	\$80,520	\$87,113
Cumulative Over/Under Recovery	(\$60,176)	(\$79,676)	(\$81,856)	(\$1,336)	\$85,778

Final Report

Wasteshed Analysis

City of Superior, Wisconsin

April 2014



April 29, 2014



Jeff Goetzman, P.E.
Director of Public Works
City of Superior
1316 North 14th Street
Superior, WI 54880

Subject: **Wasteshed Analysis Final Report**

Dear Mr. Goetzman:

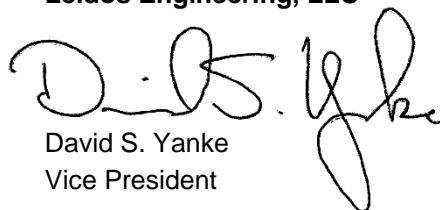
Leidos is pleased to present this Wasteshed Analysis Report to the City of Superior (City). The Study is composed of four sections:

- Section 1.1 – Wasteshed Analysis;
- Section 1.2 – Summary of Opportunities;
- Section 1.3 – Disposal Pricing Summary; and
- Section 1.4 – Key Findings and Recommendations.

Please contact me at 512.649.1254 with any questions or comments.

Sincerely,

Leidos Engineering, LLC


David S. Yanke
Vice President

Note: Effective April 21, 2014 I can be reached at dyanke@newgenstrategies.net or 512.773.5494

WASTESHED ANALYSIS

City of Superior, Wisconsin

Table of Contents

Letter of Transmittal
Table of Contents
List of Tables
List of Figures

Section 1 WASTESHED ANALYSIS.....	1-1
1.1 Wasteshed Analysis	1-2
1.1.1 Counties Closest to the Superior Landfill (within 40 miles)	1-4
1.1.1.1 Douglas County, WI.....	1-4
1.1.1.2 Bayfield County, WI	1-5
1.1.1.3 St. Louis County, MN	1-6
1.1.1.4 Carlton County, MN.....	1-9
1.1.1.5 Pine County, MN.....	1-10
1.1.2 Counties within a Radius of 40 to 70 Miles.....	1-12
1.1.2.1 Burnett County, WI	1-12
1.1.2.2 Washburn County, WI.....	1-12
1.1.2.3 Lake County, MN.....	1-14
1.1.2.4 Aitkin County, MN.....	1-15
1.1.3 Counties within a Radius of 70 to 100 Miles.....	1-16
1.1.3.1 Ashland County, WI.....	1-16
1.1.3.2 Sawyer County, WI	1-17
1.1.3.3 Rusk County, WI	1-18
1.1.3.4 Cook County, MN	1-18
1.1.3.5 Itasca County, MN.....	1-19
1.1.3.6 Cass County, MN	1-20
1.1.3.7 Kanabec County, MN.....	1-21
1.1.3.8 Chisago County, MN.....	1-21
1.1.3.9 Gogebic County, MI.....	1-22
1.2 Summary of Opportunities.....	1-23
1.3 Disposal Pricing Summary	1-24
1.4 Key Findings and Recommendations	1-24

List of Tables

Table 1-1 Current Disposal Fees at the Superior Landfill	1-2
Table 1-2 St. Louis County Transfer Stations	1-7
Table 1-3 Summary of Potential Opportunities to Increase MSW Market Share	1-24
Table 1-4 Summary of MSW Landfills and Disposal Costs.....	1-25
Table 1-5 Summary of C&D/Industrial Landfills and Disposal Costs	1-26

List of Figures

Figure 1-1. Wasteshed for City of Superior Landfill.....	1-3
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Section 1

WASTESHED ANALYSIS

Leidos Engineering, LLC (Leidos) has evaluated the current and future market place for the City of Superior Landfill (Landfill or Superior Landfill). This report provides the City of Superior (City) with a county-by-county assessment of collection and landfill/transfer operations in the region. The region was defined as an area within a 100 mile radius of the City of Superior, Wisconsin and includes counties in Wisconsin, Minnesota, and Michigan. This report provides an understanding of which landfills, transfer stations, and haulers are currently being used, and evaluates the potential for them to send waste to the City's Landfill based on factors such as pricing, transportation costs, and existing contracts. The types of waste considered include municipal solid waste (MSW), construction and demolition (C&D or demolition)¹ debris, industrial waste, and waste containing asbestos. Currently the Landfill accepts small amounts (less than two percent of its annual tonnage) of mixed demolition debris for disposal, however Leidos gathered C&D information for potential future consideration.

The following data sources were used to complete this review:

- Interviews with counties, private haulers, and disposal facility operators;
- Published solid waste planning reports (e.g., county solid waste management plans);
- Annual disposal facility reports submitted to the Wisconsin Department of Natural Resources (DNR);
- Wisconsin DNR lists of licensed solid waste landfills and transfer facilities, construction and demolition small and intermediate size landfills, and solid waste and recycling transporters; and
- Minnesota Pollution Control Agency (MPCA) lists of transfer stations and industrial landfills.

The report concludes with Leidos' research of disposal pricing and opportunities for the City to be more competitive with these other facilities. Table 1-1 shows the current disposal fees at the Superior Landfill.

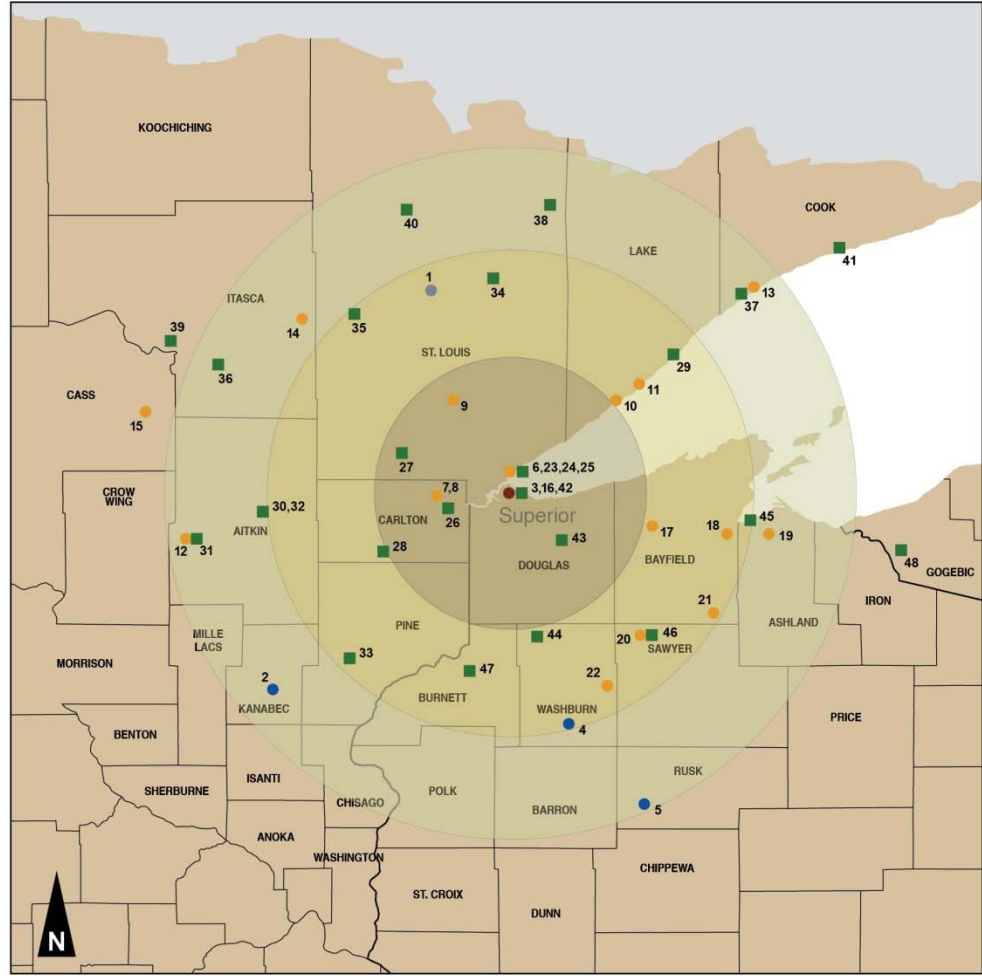
¹ Within the solid waste industry, the terms "C&D" and "demolition" debris are used interchangeably. Leidos has used them interchangeably in this report as well.

**Table 1-1
Current Disposal Fees at the Superior Landfill**

Description	Disposal Fee per Ton
MSW	\$51.00
Asbestos	\$51.00
Wastewater Treatment Plant Sludge	\$51.00
Utility Ash, Pulp Mfg Waste, Foundry Waste, Incinerator Ash	\$43.90
Shredder Fluff, Treated Soil, High Volume Industrial Waste	\$43.40

1.1 Wasteshed Analysis

Leidos has organized the wasteshed assessment geographically into three sub-regions based on proximity to the City of Superior, since hauling distance can significantly affect the feasibility of whether waste is disposed in the City's Landfill. The three areas are outlined in Figure 1-1 on the following page.



0 25 50 75 100 Miles

Legend

- City of Superior
- Municipal Solid Waste (MSW) Landfills
- Demolition/Industrial Waste Landfills
- Transfer Stations
- 40, 70, 100 mile radius
- Counties within 0-40 miles
- Counties within 40-70 miles
- Counties within 70-100 miles

Municipal Solid Waste Landfills

- | | |
|---------------------------------|--------------------------------------|
| Minnesota | 11 - Northshore Mining |
| 1 - St. Louis County Regional | 12 - WM Oak Ridge |
| 2 - East Central Solid Waste | 13 - MN Power Taconite Harbor Energy |
| Wisconsin | 14 - General Waste Disposal |
| 3 - City of Superior | 15 - Slagle |
| 4 - Republic Lake Area | Wisconsin |
| 5 - WM Timberline Trail | 16 - Duluth Landfill Superior |
| Demo/Ind Waste Landfills | 17 - Venstone |
| Minnesota | 18 - Xcel Energy Woodfield Ash |
| 6 - Veit Vonco V | 19 - Ashland Demolition |
| 7 - Shamrock | 20 - Thompson Construction |
| 8 - Sappi | 21 - Namakagon Demolition |
| 9 - WM Voyager Disposal | 22 - B&B Waste Facility |
| 10 - Lake County | |

Transfer Stations

- | | |
|----------------------|-----------------------------|
| Minnesota | 38 - Cook |
| 23 - Demo-licious | 39 - American Disposal |
| 24 - WLSSD | 40 - Northwoods (Ely) |
| 25 - WLSSD Rice Lake | 41 - North Shore/Pederson's |
| 26 - Carlton County | Wisconsin |
| 27 - Brookston | 42 - Always Available |
| 28 - Nordstrom's | 43 - Solon Springs |
| 29 - John's Sanitary | 44 - Minong Area Disposal |
| 30 - J & H Transfer | 45 - WM Ashland |
| 31 - Garrison | 46 - Republic Hayward |
| 32 - McGregor | 47 - Republic Midtown Road |
| 33 - Hinckley | Michigan |
| 34 - Hudson/Aurora | 48 - Gogebic Range SWMA |
| 35 - Hibbing | |
| 36 - Itasca County | |
| 37 - Tofte | |

Figure 1-1. Wasteshed for City of Superior Landfill

Some of the counties shown in the map and discussed below span into more than one geographic radius (e.g., St. Louis County, Minnesota has numerous facilities in locations ranging from 4 miles to 106 miles from Superior).

1.1.1 Counties Closest to the Superior Landfill (within 40 miles)

1.1.1.1 Douglas County, WI

The Superior Landfill is located in Douglas County, Wisconsin. The counties that are adjacent to Douglas County or within a radius of approximately 40 miles from the Landfill are the most likely to have an interest in using the Landfill.

MSW Facilities

The Solon Springs Transfer Station, located approximately 28 miles southeast of the Landfill is permitted by the DNR as a small transfer station (50 to 100 tons per day) and accepts between 13,000 and 26,000 tons annually (assuming operations of five days per week). The tonnage fluctuates during the year as the population nearly doubles in the summer. Residents of both the Village and Town of Solon Springs are billed \$32 quarterly (\$128 annually) for garbage disposal, while businesses pay more depending on volume. The Village of Solon Springs has a one-year contract with Republic Services to haul the MSW to the Lake Area Landfill in Sarona (48 miles away) for approximately \$70.81 per ton. The Village was unable to provide annual MSW tonnage information however they stated Republic transported 28 tons of MSW in February 2014, for reference. The tonnage is assumed to be higher during the summer months. Douglas County has a contract with Waste Management for transport and disposal of furniture, bulky waste, mattresses, tires, etc. from Solon Springs to the City of Superior Landfill. The C&D material from the Solon Springs Transfer Station is transported to the Duluth Landfill Superior (DLS) demolition landfill in Superior. The Village has a multi-year contract with DLS, however the municipality was not able to provide any quantity information regarding C&D debris.

Demolition or Industrial Waste Facilities

The DLS demolition landfill (formerly Lakehead Kimmes) located in Superior is approximately 8 miles from the City's Landfill. The facility changed ownership within the last year and the new owner was unable to provide tonnage information at the time of this study. The landfill is permitted by the DNR to accept between 50,000 and 250,000 cubic yards per year. The current gate rate is \$10.00 per cubic yard.

Always Available Roll Off Service (AA Roll Off) has a transfer station in Superior, located approximately 8 miles from the City's Landfill. They are permitted as a small transfer station (50 to 100 tons per day) and only accept C&D material which is hauled to the Veit facility in Duluth, approximately 17 miles away. AA Roll Off's posted gate rate is \$14 per cubic yard.

Hauling Operations

Currently, a majority of the licensed MSW haulers in Douglas County are using the Superior Landfill for disposal including Nordic Waste, Udeen Trucking, and Waste Management (although some MSW in the wasteshed that is hauled by Waste Management goes to the Ashland Transfer Station or Timberline Trail Landfill).

Leidos was able to gather information on the following demolition and contaminated soil haulers licensed in Douglas County:

- AA Roll Off – Currently disposes of C&D at the Veit Landfill in Duluth (in 2013 they brought one load to the City’s Landfill);
- DLS – Brought some MSW, mattresses, and fines to the Superior Landfill in 2013, but primarily transport C&D to their DLS landfill in Superior; and
- J&B Trucking – Hauls primarily demolition debris for contractors who dictate where the waste is to be disposed.

Key Finding(s)

The Solon Springs transfer station may have an interest in bringing MSW to the Superior Landfill when their contract with Republic expires, if the price was competitive and the City arranged for transportation. (Currently Republic’s service includes transportation to their landfill in Sarona.)

1.1.1.2 Bayfield County, WI

MSW Facilities

There are no facilities permitted to accept MSW in Bayfield County.

Demolition or Industrial Waste Facilities

Two demolition landfills are located in Bayfield County – Venstone and Namakagon.

The Venstone C&D Landfill located in Iron River (38 miles from Superior) is a privately-owned, intermediate sized C&D landfill permitted to accept between 50,000 and 250,000 cubic yards of material per year. The current gate rate is \$15.00 per cubic yard or \$20 per pick-up truck load. Per a local engineering firm that worked with Venstone, the site is fairly new so it is estimated to have several decades of estimated life, however the exact capacity/life is unknown as the facility manager could not be reached.

The Namakagon Demolition Landfill is a small C&D landfill permitted to accept up to 50,000 cubic yards per year and is located in Namakagon (82 miles from Superior). The facility is owned and operated by the Town of Namakagon (estimated population 275). The basic tip fee for C&D waste is \$6.50 per cubic yard or \$10 per pick-up truck load. While the Namakagon site is not a DNR-permitted transfer station, it does provide a drop-off site for MSW from Town residents for \$2.50 per 25-gallon bag. The Town contracts with Republic to transport the waste. The Town representative did not have any MSW tonnage information and did not know the exact length of the

contract, but thought it was approximately three years. Republic most likely transports the MSW to its Hayward Transfer Station, 31 miles from Namakagon.

Xcel Energy (Xcel) owns and operates the Woodfield Ash Landfill in Eileen, in far eastern Bayfield County, approximately 67 miles from Superior. The facility is used for Xcel's coal ash and is not open to the public. The landfill is approximately half full and has capacity for an additional 250,000 cubic yards. The site also has room for expansion, should Xcel choose to construct more disposal cells. Currently the landfill is mothballed and Xcel is hauling its ash 87 miles to Republic Services' ash monofill located in Sarona. Xcel attempts to recycle/beneficially use the ash whenever possible (most often in the manufacturing of cement).

Hauling Operations

All of the haulers licensed in Bayfield County transport demolition debris and/or contaminated soil. Only one hauler is licensed to haul MSW and that is Woodland Rolloff. Leidos was able to gather the following hauler information:

- Woodland Rolloff – Located in Cable, Wisconsin (69 miles from Superior) this small company handles mostly demolition debris in roll-off boxes. Any MSW requiring disposal is taken to Republic's transfer station in Hayward (17 miles from Cable). The demolition debris is transported to whichever disposal site is nearest to their customer's job site (e.g., Ashland Demolition Landfill, Minong Transfer Station, Venstone, or B&B).
- Bob Olson and Company – Small operation (semi-retired, one truck) located in Washburn, Wisconsin; hauls demolition debris under contract to the Shamrock Landfill in Cloquet.
- Mark Rasmussen Excavating – Located in Cable, typically hauls demolition debris to the disposal facility nearest the job site including Thompson's in Hayward (17 miles from Cable), Namakagon (14 miles), or Venstone in Iron River (31 miles).

Key Finding(s)

If the City chooses to accept C&D material at the Superior Landfill in the future, it may be possible to attract some of the waste currently being disposed at the Venstone Landfill if the price was competitive. Regarding Xcel Energy's coal ash, the City may wish to inquire with Xcel about the possibility of Xcel delivering ash to the City's Landfill. Leidos was unable to obtain any details pertaining to Xcel's ash disposal contract with Republic.

1.1.1.3 St. Louis County, MN

MSW Facilities

St. Louis County owns and operates a landfill in Virginia, Minnesota, approximately 67 miles from Superior. The landfill began accepting waste in 1993 and its current 10-year permit (through the MPCA) will expire in 2023 at which time the County will most likely re-permit. The landfill is at the half-way point of its lifespan according to the County's 2013 Solid Waste Management Plan and has been designed to effectively

handle the MSW generated within the County's Solid Waste Management Area (SWMA) through 2033. In 2013, the landfill accepted 51,573 tons of MSW. Approximately 327 of those tons (less than one percent of the landfill's annual tonnage) came from outside the SWMA.

Because St. Louis County is such a large county (6,860 square miles; largest county by total area in the state of Minnesota), the county owns five transfer stations and directs all the waste to its landfill in Virginia. Table 1-2 lists the transfer station locations, tons of MSW received in 2013, and the distance to Superior for reference.

Table 1-2
St. Louis County Transfer Stations

Transfer Station Location	2013 MSW Tons	Miles to Superior
Brookston	1,645	29
Aurora	3,317	79
Hibbing	13,837	80
Cook	2,921	95
Ely	4,393	106

The landfill and transfer station (for facilities with scales) tipping fee is \$49.14 per ton for MSW generated within the County's SWMA.² The fee for MSW generated outside the SWMA, is \$106.99 per ton. The self-haul fees are \$1.00 per 32-gallon garbage bag/can for waste generated within the SWMA and \$2.37 per bag/can for waste from outside the SWMA.

There are two transfer stations located in St. Louis County that are owned and operated by the Western Lake Superior Sanitary District (WLSSD). These facilities were not contacted by Leidos, as directed by the City, because the City has a contract with the WLSSD to accept their transfer station waste at the Superior Landfill under a contract that will expire in June 2019.

Demolition or Industrial Waste Facilities

- The St. Louis County Landfill in Virginia accepts C&D material for disposal. In 2013, the landfill disposed of 2,475 tons of demolition waste. The current tip fee for demolition material generated within the County's SWMA is \$13.00 per cubic yard or \$42.00 per ton; demolition from outside the SWMA is \$19.00 per cubic yard or \$56.00 per ton.

In 2013 the County disposed of approximately 100 cubic yards of asbestos-containing material. The tip fee for asbestos is \$72.79/cubic yard from within the SWMA and \$109.06/cubic yard from outside the SWMA.

² St. Louis County is divided into two areas for solid waste management purposes; the majority of the County and its solid waste programs are overseen by the County's Environmental Services Department while the southern portion of the County, including the City of Duluth, are served by the WLSSD.

The landfill also accepts industrial waste. In 2013, the landfill accepted 1,985 tons of ash (primarily from Virginia Public Utilities), 914 tons of foundry sand, and 14,647 tons of industrial waste from Mesabi Nugget, a company in Aurora, MN that produces iron nuggets for electric arc furnaces. Beginning in March 2014, the Mesabi Nugget waste will be going to the Shamrock Landfill in Cloquet, Minnesota because the County was not awarded the contract.

- The Demolition C&D transfer station in Duluth (4 miles from Superior) accepts demolition waste for \$15 per cubic yard. They handle less than 50,000 cubic yards per year. In 2013, approximately 8 percent of their waste was transported to the Superior Landfill via the WLSSD. The remaining tons were transported to the Voyager Demolition Landfill in Canyon, Minnesota and the Shamrock Landfill in Cloquet, Minnesota.
- Veit USA owns and operates the Veit Vonco V waste management facility in Duluth, approximately 17 miles from Superior. The site is permitted to accept C&D and industrial waste. In 2012, Veit landfilled 33,825 cubic yards of industrial waste and 150,942 cubic yards of demolition waste. In addition, paper mill waste was used for alternative daily cover - 12,169 cubic yards at the industrial landfill and 4,056 cubic yards at the demolition landfill. The current tip fee is \$11 per cubic yard (2-yard minimum) or \$30 per ton. The estimated life of the Veit landfill is more than 50 years.
- The Voyager Landfill in Canyon (approximately 39 miles from Superior) is owned and operated by Waste Management. The facility accepts C&D and industrial waste; the current tip fee is \$42 per ton. The Voyager Landfill accepted 55,414 tons of industrial and demolition waste in 2013, as reported to St. Louis County. From the County's 2013 Solid Waste Management Plan, the Voyager Landfill's ultimate design capacity is 5,735,739 cubic yards. The landfill's estimated life span is 80 years based on additional purchase agreements with adjacent sand and gravel mining operations.³

Hauling Operations

All of the MSW haulers in St. Louis County are licensed by the County. Seven of the larger communities within the County's SWMA offer municipal garbage collection and that waste is transported to either a County-owned transfer station or the landfill in Virginia. In addition, the WLSSD has contracts with specific haulers who haul within the district and that waste is transported to a WLSSD transfer station or hauled directly to the Superior Landfill. The end date of the hauler contracts coincides with the end date of the contract between the City and the WLSSD. Leidos did not contact any of the MSW haulers currently under contract with the WLSSD, unless they haul other waste streams, in which case Leidos inquired about disposal locations. Leidos was able to gather the following additional hauler information:

³ Source: City of Cloquet's Study of Official Controls for Landfill Development in the City of Cloquet, Minnesota, November 2011.

- Hartel's/DBJ Disposal in Proctor, Minnesota – In addition to the MSW that goes through the WLSSD, Hartel's collects demolition debris and delivers it to Veit in Duluth.
- Como Lube is an oil and lubricant distributor and recycler located in Duluth. Occasionally (maybe 8 to 10 times per year) they haul contaminated soil, in drums, from an oil or diesel spill. Currently they dispose of contaminated soil in Eau Claire, Wisconsin.

Key Finding(s)

It is not likely St. Louis County would divert any waste from its transfer stations to the Superior Landfill in the near future. The landfill has approximately twenty years of remaining life. In addition, St. Louis County brings in very small quantities of waste at a higher tipping fee from outside its SWMA, so there is little opportunity for the City to attract more waste from the county, even with lower tip fees.

If the City accepts C&D material at its Landfill in the future, it may be possible to attract some of the demolition waste from the Demolition Transfer Station currently being disposed at the Canyon Landfill (33 miles from Duluth) and the Shamrock Landfill (22 miles) if the price was competitive.

Como Lube indicated they might be interested in bringing contaminated soil to the City's Landfill, depending on the environmental testing requirements and only if the Landfill accepts the soil in drums.

1.1.1.4 Carlton County, MN

MSW Facilities

Two transfer stations are located in Carlton County: the Carlton County Transfer Station and Nordstrom's Transfer Station.

The Carlton County Transfer Station is located in Carlton (22 miles from Superior) and accepted 14,461 tons in 2013. Of that amount 11,407 was MSW and 3,054 was demolition and bulky waste. All of the waste is transported to the Superior Landfill through a Joint Powers Agreement between the County and the WLSSD. Regarding the self-haul tip fee at the Carlton County transfer station, the County has a per pound disposal fee based on volume-to-weight conversion standards established by the U.S. Environmental Protection Agency (EPA). For example, for in-county waste, the fee for a 30/32 gallon container of MSW is \$2.76 and the fee for a pick-up truck is \$43.63. This equates to a fee of approximately \$76.50 per ton for MSW. Out-of-county MSW is accepted for a fee of \$5.50 for a 30/32 gallon container and \$86.97 for a pick-up truck.

Nordstrom's Transfer Station is located in Moose Lake, 43 miles from Superior. The facility only accepts waste from self-haulers and charges \$35 per pick-up load. Nordstrom's brings the waste to the Carlton County Transfer Station. The annual tonnages are not known, but are included in Carlton County's annual MSW tons.

Demolition or Industrial Waste Facilities

The Shamrock Environmental Industrial Landfill located in Cloquet (21 miles from Superior) is a private facility owned and operated by SKB. The current tip fee is \$9.00 per cubic yard or \$42 per ton. The annual disposed quantities were not made available to Leidos. The current MPCA permit was issued in December of 2010 and expires in December of 2015 and provides capacity of 1,311,000 cubic yards for co-disposal of industrial and C&D debris. The landfill has a design capacity of 3,544,000 cubic yards and an estimated life span 25 to 30 years.⁴ In addition to accepting industrial waste at its own landfill, Shamrock delivers paper mill sludge to the Superior Landfill where it is used as alternative daily cover. The City and Shamrock entered into a disposal agreement in 2012 that established the disposal fee through 2017. (The disposal fee for 2014 is \$5.90 per ton up to 400 tons per week and \$6.90 per ton in excess of 400 tons per week.) In 2013, the Landfill received more than 27,000 tons of paper mill sludge from Shamrock.

The Sappi Industrial Landfill is a private facility owned and operated by Sappi Fine Paper for the disposal of its pulp and papermaking waste. The landfill is located in Cloquet, approximately 21 miles from Superior. According to a company representative, there is an estimated 30 years of remaining landfill life at the site.

The Carlton County Transfer Station accepts self-hauled, in-county industrial/demolition waste for \$2.73 for a 30/32 gallon container and \$43.22 for a pick-up truck load. The out-of-county fees are \$3.92 per 30/32 gallon container and \$62.03 for a pick-up truck load. The industrial/demolition waste is transported to the City's Landfill under the WLSSD contract.

Hauling Operations

All of the MSW haulers licensed in Carlton County contract with the WLSSD except one: Mike's Sanitation in Sturgeon Lake (48 miles from Superior). Because Sturgeon Lake is located in Pine County, Minnesota, the details of Mike's Sanitation are provided below in Section 1.1.1.5 - Pine County.

The only demolition hauler in the County is Shamrock Trucking. They transport demolition waste to the Shamrock Landfill as well as paper mill sludge to the Superior Landfill.

Key Finding(s)

The waste from the two transfer stations in Carlton County is currently being disposed at the Superior Landfill via the County's Joint Powers Agreement with the WLSSD.

1.1.1.5 Pine County, MN

MSW Facilities

The Hinckley Transfer Station is located in Hinckley, approximately 74 miles from the Superior Landfill. It is owned and operated by the East Central Solid Waste

⁴ Ibid.

Commission (ECSWC), a five-county joint powers commission that owns and operates two transfer stations and one MSW landfill. (The second transfer station is located in Cambridge, in Isanti County, approximately 113 miles from Superior and was not included in this analysis.) The counties that make up the ECSWC include Kanabec, Chisago, Isanti, Pine, and Mille Lacs. The current tip fee at the Hinckley Transfer Station (and all ECSWC sites) is \$56.00 per ton (plus a scale fee of \$15 for residents and \$20 for non-residents who self-haul). All waste is transported to the ECSWC Landfill in Mora, Minnesota. The ECSWC offers a rebate of \$14.00 per ton for waste haulers that enter into a contract with the commission, reducing their tip fees to \$42 per ton. More detail is provided in the description of the ECSWC Landfill in Section 1.1.3.7 - Kanabec County.

Demolition or Industrial Waste Facilities

There are no demolition or industrial landfills located within Pine County.

Hauling Operations

Two MSW haulers in Pine County are located within 100 miles of Superior: Mike's Sanitation out of Sturgeon Lake (48 miles from Superior) and Matt's Sanitation out of Hinckley (74 miles from Superior). Both haulers bring MSW to the ECSWC Landfill and receive the hauler rebate, reducing their tip fee to \$42 per ton. In 2013, Mike's Sanitation delivered 1,416 tons of MSW to the ECSWC Landfill and Matt's Sanitation delivered 3,428 tons.

Two demolition haulers in Pine County are located within 100 miles of Superior: J&D Sanitation in Pine City (88 miles from Superior) and Ron's Roll Offs in Hinckley. Both haulers bring demolition debris to the C&D landfill located at the ECSWC Landfill for the gate rate of \$10 per cubic yard. In 2013, J&D Sanitation brought 540 tons of C&D and Ron's Roll Offs delivered 1,527 tons.

Key Finding(s)

Because the Hinckley Transfer Station is owned by the ECSWC, it is not likely that waste would be taken anywhere other than the ECSWC Landfill.

The owner of Mike's Sanitation indicated he might consider hauling MSW to the Superior Landfill if the price was competitive. The distance between Sturgeon Lake and Mora (49 miles) and Sturgeon Lake and Superior (48 miles) is similar. Mike's Sanitation signs a yearly contract with the ECSWC Landfill, but if price was favorable, they might consider using the Superior Landfill.

The company representative for Matt's Sanitation indicated that Superior was too far to drive for disposal because the Hinckley Transfer Station is located only five miles from Matt's.

J&D Sanitation also indicated that Superior was too far to drive for disposal. Leidos was unable to connect with a company representative from Ron's Roll Offs.

1.1.2 Counties within a Radius of 40 to 70 Miles

1.1.2.1 Burnett County, WI

MSW Facilities

Republic Services owns and operates the Midtown Road Transfer Station in Siren, approximately 69 miles south of Superior. The transfer station is permitted to accept 50 to 100 tons per day. The facility takes both MSW and C&D commingled (i.e., it is not separated into two streams). The waste is then transported to Republic's Lake Area Landfill in Sarona (36 miles away). The tip fee for residents who self-haul to the transfer station is \$4.00 per bag or \$25 per cubic yard.

Demolition or Industrial Waste Facilities

There are no facilities permitted to accept demolition debris in Burnett County.

Hauling Operations

There are two licensed transporters in Burnett County (neither haul MSW) that are within 100 miles of Superior:

- Hopkins Sand & Gravel/HSG Trucking – Located in Webster, Wisconsin (65 miles from Superior), HSG currently transports demolition debris to DKV in Rush City, Minnesota (42 miles from Webster) for approximately \$8.00 per cubic yard or to the Lake Area Landfill in Sarona (38 miles), for \$58 per ton (gate rate). HSG occasionally transports contaminated soil, as needed.
- North Country Dumpsters – Located in Siren (71 miles from Superior), North Country Dumpsters currently takes demolition debris to the Lake Area Landfill in Sarona (36 miles from Siren). Tonnage information was not provided to Leidos.

Key Finding(s)

According to a Republic Services representative, the company “internalizes” all of its waste so there would not be an opportunity for any Republic waste to be disposed at the Superior Landfill.

If the City chooses to accept C&D material at the Superior Landfill in the future, North Country Dumpsters may consider using the City's Landfill for demolition projects that are located near Superior.

1.1.2.2 Washburn County, WI

MSW Facilities

The Lake Area Landfill in Sarona (89 miles from Superior) is owned and operated by Republic Services. Per the DNR's annual tonnage report, the landfill accepted 47,111 tons of MSW and 1,644 tons of industrial waste (e.g., foundry waste and wastewater treatment sludges) in 2012. The facility reported 6,685,294 cubic yards of capacity as of January 2013 and an estimated life of nine years. A Republic representative stated

the facility has up to 80 years of airspace available through expansions. Approximately 18 percent of the landfill's waste came from Minnesota. The current gate rate is \$58.00 per ton.

The Town of Minong owns and operates a transfer station in Minong, 49 miles south of Superior. Garbage disposal fees are included in residents' property taxes. Non-residents pay \$200/ton or \$0.10/pound to dispose of garbage and C&D debris. A Town employee drives the transfer trailer of waste to the Lake Area Landfill in Sarona (34 miles, one way) about every ten days. The transfer station staff did not know the details of the contract with Republic and although they did not know the exact amount of tonnage transferred annually to the landfill, they estimated one trailer every ten days in the winter and more often in the summer. Based on this information, Leidos estimates that between 1,080 and 1,350 tons are hauled from the Minong transfer station annually.⁵

Demolition or Industrial Waste Facilities

The Lake Area Landfill also accepts C&D waste, but it is not separated; it is disposed with the MSW. In 2012, Republic reported to the DNR 6,514 tons of C&D debris landfilled in Sarona. Republic also operates an ash monofill at this site. Most of the ash comes from waste-to-energy plants in Barron County, Wisconsin and Hennepin County, Minnesota. Per the DNR's annual landfill report, Republic accepted 28,104 tons of ash in 2012. The landfill does not accept asbestos.

The B&B Waste Facility in Stone Lake (approximately 87 miles from Superior) is a small C&D landfill permitted to accept up to 50,000 cubic yards per year. Leidos was unable to connect with a company representative, so no tip fee or estimated site life information is available.

Hauling Operations

The two haulers licensed to transport MSW in Washburn County are the two listed above under MSW facilities: Minong Area Disposal/Town of Minong and Republic Services. They are also licensed to haul C&D debris, along with B&B Disposal.

Key Finding(s)

A Town of Minong staff person indicated that it would not be feasible to take waste to Superior because of the distance, as the Town only has one driver and he has to take time out of his day and away from other duties to drive the waste for disposal. If the City of Superior arranged for the transportation of the waste to its Landfill, it could possibly be a feasible option for the Town to consider if the price was competitive.

⁵ Based on an average of 20 to 25 tons per load.

1.1.2.3 Lake County, MN

MSW Facilities

John's Sanitary Transfer Station is located in Silver Bay, approximately 60 miles from Superior. The waste from John's Sanitary goes to the WLSSD which is then transported to the Superior Landfill. The company representative was not willing to provide tonnage or tip fee information.

Demolition or Industrial Waste Facilities

There is one demolition landfill and one industrial landfill in Lake County.

The Lake County Demolition Landfill is located in Castle Danger, approximately 43 miles from Superior. The landfill accepts C&D debris and asbestos. In 2013 the landfill received 4,200 cubic yards of material (before compaction). County staff estimates the landfill has 4 to 5 years of remaining capacity, based on the current fill rate. No plans have been made yet regarding future expansion but the County will most likely consider their options within the next year. The tip fees for demolition material are \$8.60/cubic yard for in-county and \$27.60/cubic yard for out-of-county debris. Disposal fees for asbestos are \$22.60/cubic yard for in-county and \$77.60 for out-of-county material. The County does not have any contracts for waste disposal; most of the C&D debris comes from residents and small businesses. The County does receive asbestos from Northshore Mining, a taconite processing facility in Silver Bay (see below).

Northshore Mining is a taconite processing facility located in Silver Bay, 60 miles from Superior. The company is owned by Cliffs Natural Resources Inc. Taconite is transported from a mine in Babbitt, MN and made into pellets in Silver Bay. The company owns its own industrial landfill for the disposal of its manufacturing waste. Leidos was unable to connect with a company representative, so no tonnage information is available.

Hauling Operations

All of the haulers licensed by the County bring their MSW to the WLSSD, so it is all currently being disposed at the Superior Landfill.

Key Finding(s)

The MSW collected from the haulers in Lake County and the MSW from John's Sanitary Transfer Station is currently being disposed at the Superior Landfill.

If the City chooses to accept C&D material at its Landfill in the future, it is possible that Lake County could consider transporting its demolition waste to the City's Landfill if the County decides not to expand their current site. As stated above, the County will most likely be weighing their options within the next year regarding expansion of their demolition site.

1.1.2.4 Aitkin County, MN

MSW Facilities

There are three transfer stations in Aitkin County: McGregor, J&H, and Garrison Disposal.

The McGregor Transfer Station is located in McGregor (62 miles from Superior) and is owned by Aitkin County and operated by J&H Transfer. The tip fee for self-hauled MSW is approximately \$45 to \$50 per pick-up truck load.

The J&H Transfer Station is also located in McGregor and is owned and operated by J&H Transfer and is used primarily for J&H's own trucks, who collect MSW under the name Lakes Sanitary Services. J&H reports the tonnages from both facilities as one number when providing annual tons to the County. In 2013, they reported 2,967 tons of MSW received and transported to one of two landfills: the ECSWC Landfill in Mora, Minnesota (52 miles from McGregor) and Republic's Lake Area Landfill in Saronia, Wisconsin (140 miles). A breakdown of tons was not provided, however a tonnage report from the ECSWC Landfill showed only 244 tons from Lakes Sanitary Services in 2013 so it appears most of their waste is going to Republic's landfill in Saronia. A J&H Transfer representative stated they are in the first year of a three-year contract with Republic and would not be considering a new contract for another two years.

The Garrison Disposal Transfer Station is located in Aitkin (84 miles from Superior). The tip fee for self-hauled MSW is \$6.00 per bag or \$50.00 per pick-up truck. From the annual report submitted to the County, Garrison Disposal transported 5,349 tons of MSW to the ECSWC Landfill in Mora, Minnesota (61 miles) in 2013. Garrison has a contract with the ECSWC so their tip fee is \$42 per ton.

Demolition or Industrial Waste Facilities

The Oakridge Landfill is located in Aitkin (84 miles from Superior) and is owned and operated by Waste Management. The gate rate is \$11.50 per cubic yard. In 2012, the Oakridge Demolition Landfill accepted 13,382 cubic yards of demolition debris, per Aitkin County's Solid Waste Management Plan. The estimated life of this site is expected to be about 35 years at the present disposal rate. Leidos was unable to connect with anyone at Waste Management regarding this landfill.

The McGregor Transfer Station accepts C&D debris for \$18 per cubic yard. J&H transports the demolition material to the Oakridge Landfill in Aitkin.

Hauling Operations

As mentioned above, Lakes Sanitary collects MSW in the County and transports it to either the ECSWC Landfill in Mora, Minnesota or the Lake Area Landfill in Saronia, Wisconsin. Garrison Disposal collects MSW in the County and transports it to the ECSWC Landfill in Mora.

Key Finding(s)

J&H Transfer is transporting waste 52 miles to Mora and 140 miles to Sarona compared to 62 miles to Superior. It appears J&H could reduce transportation costs by bringing waste to the City's Landfill rather than the Lake Area Landfill in Sarona. However, a J&H Transfer representative stated they would not consider a new contract for another two years and the contracted tip fee at the Superior Landfill would need to be lower than \$38 per ton for J&H's consideration.

Garrison Disposal reported hauling 5,349 tons of MSW in 2013 from Aitkin County. They most likely collect and transport waste from other counties because the ECSWC Landfill reported that Garrison delivered 8,229 tons in 2013. It is possible that Garrison Disposal might consider delivering MSW to the City's Landfill if the price was competitive to compensate for the additional transportation costs. Currently, Garrison travels 61 miles to Mora, compared to 84 miles to Superior. Leidos was unable to speak with a company representative so it is not known if there is interest in bringing their waste to the Superior Landfill.

1.1.3 Counties within a Radius of 70 to 100 Miles

1.1.3.1 Ashland County, WI

MSW Facilities

There is one MSW transfer station located in Ashland County and it is owned and operated by Waste Management. The facility is open to the public two days per week and the tip fee is \$78 per ton. The transfer station is used primarily for Waste Management's own trucks. The waste is transported to Waste Management's K&W Landfill in Ontonagon, Michigan in the Upper Peninsula (100 miles from Ashland). K&W's posted gate rate is \$90 per ton.

Demolition or Industrial Waste Facilities

The Ashland Demolition Landfill is owned by OEI and is located in Ashland (approximately 65 miles from Superior). The facility is permitted by the DNR as a small C&D Landfill with a capacity not to exceed 50,000 cubic yards per year. The current tip fee is \$17.50 per cubic yard. The estimated life of the landfill is unknown as Leidos was unable to speak with a company representative.

Hauling Operations

Eagle Waste and Recycling was recently awarded the contract for MSW and recycling collection for the City of Ashland and began service in January 2014. Currently Eagle Waste transports the MSW 114 miles to the Highway G landfill near Eagle River in Vilas County. The Highway G Landfill's tipping fee is \$62.00 per ton, however Eagle Waste receives a discounted fee per ton if they deliver a minimum of 3,000 tons per year.⁶

⁶ Source: Vilas County News-Review article, May 3, 2011.

Most of the other haulers in Ashland County haul rock, sand, and gravel or demolition debris. The demolition haulers Leidos spoke with said Superior was too far to drive for disposal.

Key Finding(s)

Eagle Waste and Recycling is currently in a one-year disposal contract with Vilas County, however the owner of Eagle Waste stated he would consider discussing the Superior Landfill as a disposal option if the price was right. Superior is approximately 65 miles from Ashland compared to 114 miles to Eagle River. He also stated that they previously delivered waste to the Superior Landfill but then the “rates went up significantly” so they stopped. Information provided by the City showed Eagle Waste delivered 52 loads (totaling 525 tons) to the Landfill 2013.

1.1.3.2 Sawyer County, WI

MSW Facilities

Republic Services owns and operates a transfer station located in Hayward, approximately 71 miles south of Superior. The transfer station is permitted to accept 50 to 100 tons per day. The facility takes both MSW and C&D commingled (i.e., it is not separated into two streams). The waste is then transported to Republic’s Lake Area Landfill in Sarona (36 miles away). The tip fee for residents who self-haul is \$0.085 cents per pound.

Demolition or Industrial Waste Facilities

Thompson Sand and Gravel owns and operates a C&D waste landfill in Hayward, approximately 71 miles from Superior. The site is permitted to accept up to 50,000 cubic yards of C&D material per year. The company just completed construction on a new landfill cell which should provide capacity for the next five to seven years. The facility is open to the public and the current tip fee is \$20 per cubic yard for C&D and \$25/cubic yard for shingles.

Hauling Operations

There are no licensed MSW haulers in Sawyer County within 100 miles of Superior. The demolition haulers Leidos was able to contact include:

- Bob Thompson & Sons (part of Thompson Sand and Gravel) transports demolition debris to its own landfill in Hayward; and
- Roy’s Enterprises in Hayward (71 miles from Superior) has a roll-off service but stated that Superior was too far to drive for disposal.

Key Finding(s)

As mentioned previously, Republic Services internalizes all of its waste so it is unlikely any Republic waste would be available for disposal at the Superior Landfill.

1.1.3.3 Rusk County, WI

MSW Facilities

Although it is located just beyond the 100 mile radius from Superior, Leidos has included the Timberline Trail Landfill in this analysis. Timberline Trail is located in Weyerhaeuser (117 miles from Superior) and is owned and operated by Waste Management. The gate rate is \$80 per ton, however Waste Management offers a reduced tip fee for their large-volume customers, but those rates were not shared with Leidos. According to the Wisconsin DNR, the landfill disposed of 62,407 tons of MSW, 1,826 tons of C&D debris, and 11,747 tons of industrial waste in 2012 and the landfill's capacity as of January 2013 was 5.1 million cubic yards. A company representative stated the estimated life of the landfill is 15 years, with possible expansions providing more than 40 years of useful life.

Demolition or Industrial Waste Facilities

There is one C&D landfill (Rands Trucking Inc.) located in Rusk County, however it is outside of the watershed in Glen Flora, approximately 144 miles from Superior.

Hauling Operations

All of the licensed MSW haulers in Rusk County are located more than 100 miles from Superior so they were not contacted by Leidos. One demolition hauler is located in Rice Lake (approximately 94 miles from Superior) but was not contacted.

Key Finding(s)

Waste Management internalizes its waste, so it is unlikely that they would divert any of their waste destined for the Timberline Trail Landfill.

1.1.3.4 Cook County, MN

MSW Facilities

There are two transfer stations located in Cook County: The Tofte Transfer Station and the Northshore Transfer Station.

The Tofte Transfer Station located in Tofte (88 miles from Superior) is owned by Cook County and operated by Nelson Machine Products. In 2012, the transfer station received 1,528 tons of MSW. The transfer station accepts self-hauled waste and charges \$3.50 per bag of MSW. All the waste is transported to a WLSSD transfer station and then transported to the Superior Landfill.

The North Shore Waste Transfer Station located in Grand Marais (115 miles from Superior) is a privately owned and operated facility. In 2012, the facility accepted 2,108 tons of MSW and no C&D debris. All the waste is transported to a WLSSD transfer station and then transported to the Superior Landfill.

Demolition or Industrial Waste Facilities

There is one industrial landfill in Cook County – the Taconite Harbor Energy Industrial Landfill in Schroeder (85 miles from Superior). The facility is privately owned and operated by Minnesota Power and is used primarily for the disposal of the company's coal ash. In 2012, approximately 22,178 cubic yards of waste was disposed at the landfill.

The Tofte Transfer Station charges \$16.00 per cubic yard for demolition debris and received 754 tons of C&D in 2012. All the waste is transported to a WLSSD transfer station and then transported to the Superior Landfill.

Hauling Operations

There are currently two licensed haulers in Cook County, the same companies that operate the transfer stations: Nelson Machine Products and North Shore Waste.

Key Finding(s)

Currently all the MSW collected in Cook County is being delivered to the City's Landfill under the WLSSD contract.

1.1.3.5 Itasca County, MN

MSW Facilities

The Itasca County Transfer Station located in Grand Rapids (83 miles from Superior) is owned by the County and operated by Waste Management. The disposal fee is \$2.00 per bag or \$93 per ton. In 2013, the transfer station accepted approximately 23,000 tons of MSW. The MSW is transported by Waste Management to their landfill in Elk River, Minnesota (146 miles from Grand Rapids). In 2013, the County signed its fourth consecutive contract with Waste Management for five years, expiring in 2018. Currently the County pays Waste Management \$58 per ton for transport and disposal costs as well as transfer station operating costs.

Demolition or Industrial Waste Facilities

There is one demolition transfer station and three demolition landfills located in Itasca County.

American Disposal is a private company that owns and operates a demolition transfer station in Deer River (97 miles from Superior). Leidos was unable to contact anyone at the facility so we are unable to report their tip fee or the location of the demolition material for final disposal.

The County of Itasca operates a demolition landfill at their transfer station site. The County charges \$9.00 per cubic yard for self-hauled demolition debris and \$20.00 per ton for commercial loads. According to the County's 2012 Solid Waste Management Plan, the projected life of the site in 2012 was approximately 16 years with an annual average waste and monthly cover rate of 16,500 cubic yards.

General Waste Disposal owns and operates an industrial waste landfill in Keewatin (86 miles from Superior). The gate rate is \$11.00 per cubic yard. In 2011, the landfill disposed of 17,714 cubic yards of demolition debris.

The Trout Demolition Landfill located in Grand Rapids reported 3,782 cubic yards of demolition debris in 2011. The Trout landfill is open only on a case-by-case basis, generally for major construction projects.

Hauling Operations

Most of the MSW collection in Itasca County is provided by Waste Management who operates the transfer station in Grand Rapids. Two of the demolition haulers in Itasca County own their own C&D facilities: American Disposal and General Waste. Norland Sanitary hauls C&D in Itasca County and disposes of it at General Waste's landfill. Norland may be interested in bringing mixed demolition debris loads to the Superior Landfill. Leidos attempted to contact another demolition hauler, The Local Boy, Inc., but was not able to connect.

Key Finding(s)

Itasca County reviews its contract with Waste Management on an annual basis. There may be an opportunity for the City of Superior to negotiate a disposal arrangement with the County in the future however, Waste Management has been the main solid waste service provider in the county for many years and most likely relies on Itasca County's waste as a resource for its waste-to-energy facility in Elk River, Minnesota.

1.1.3.6 Cass County, MN

MSW Facilities

There are no landfills or transfer stations located within Cass County that are within 100 miles of Superior.

Demolition or Industrial Waste Facilities

The Slagle Demolition Landfill in Remer (98 miles from Superior) is open on a limited basis and charges \$8.65 per cubic yard for demolition debris. Leidos was unable to connect with a company representative.

Hauling Operations

All of the licensed haulers in Cass County are located more than 100 miles from Superior.

Key Finding(s)

Leidos found no opportunities for waste in Cass County that would be available for disposal at the Superior Landfill.

1.1.3.7 Kanabec County, MN

MSW Facilities

As mentioned under Pine County in Section 1.1.1.5, the East Central Solid Waste Commission (ECSWC), is a five-county joint powers commission that owns and operates two transfer stations and one MSW landfill. The landfill is located in Mora, approximately 94 miles from Superior. The current MSW tip fee at the ECSWC Landfill is \$56.00 per ton (plus a scale fee of \$15 for residents and \$20 for non-residents who self-haul). The ECSWC offers a rebate of \$14.00 per ton for waste haulers that enter into a contract with the commission, reducing their tip fees to \$42 per ton. The hauler rebates are issued to the contracted haulers quarterly. In 2013, the landfill accepted 88,651 tons of MSW; of that amount, 82,432 tons or 93 percent came from contracted haulers. The landfill also accepts asbestos for \$75.00 per ton and contaminated soil for \$30.00 per ton.

The total permitted landfill capacity granted to the ECSWC for the landfill for the period 2010 to 2016 was 710,000 cubic yards. The design capacity includes additional phases for a total of 9,036,000 cubic yards and a remaining operating life of approximately 80 years.

Demolition or Industrial Waste Facilities

The ECSWC Landfill also operates a C&D landfill and accepts C&D debris for a fee of \$10 per cubic yard. In 2013, 5,035 cubic yards of demolition material were received at the landfill.

Hauling Operations

Most of the MSW haulers in Kanabec County deliver waste to the ECSWC Landfill. Many of them were discussed under Pine and Aitkin Counties.

Key Finding(s)

Because of the ECSWC Landfill's rebate of \$14.00 per ton for haulers that sign an annual disposal contract, Leidos believes it may be difficult for the City to compete for those MSW tons. However one hauler, Mike's Sanitation, expressed potential interest in hauling to Superior (see discussion in Section 1.1.1.5 – Pine County, MN). Two additional haulers that bring MSW to the ECSWC Landfill, J&H Transfer and Garrison Disposal (discussed in Section 1.1.2.4 – Aitkin County, MN), may also be interested in discussing contracted tip fees with the City.

1.1.3.8 Chisago County, MN

MSW Facilities

There are no landfills or transfer stations located in Chisago County that are within 100 miles of Superior.

Demolition or Industrial Waste Facilities

There are no demolition or industrial waste facilities located in Chisago County that are within 100 miles of Superior.

Hauling Operations

East Central Sanitation in Rush City (94 miles from Superior) is the hauler that brings the largest quantities of MSW to the ECSWC Landfill in Mora. In 2013, East Central Sanitation disposed of 35,725 tons at \$42 per ton (contracted hauler rate after rebate). East Central Sanitation signs an annual contract with the ECSWC Landfill.

Key Finding(s)

The company representative at East Central Sanitation stated they would consider hauling MSW to Superior if the price was right, but it would have to be quite a bit lower than \$42 per ton considering the additional transportation costs.

1.1.3.9 Gogebic County, MI

MSW Facilities

The Gogebic Range Solid Waste Management Authority (Authority) owns and operates a transfer station in Ironwood, Michigan approximately 104 miles from Superior. The Authority will begin a new contract in May 2014 with Hiawatha Shores Recycling & Disposal in Gulliver, Michigan (240 miles away) for the transport and disposal of both MSW and C&D debris. The five-year contract for transfer and disposal begins at \$64 per ton the first year and increases each year up to \$72 per ton the fifth year. (In late 2013, the City of Superior submitted a bid for disposal only, at \$41.69 - \$46.00 per ton over five years.) The transfer station accepts approximately 10,000 tons of MSW per year.

Demolition or Industrial Waste Facilities

There are no demolition or industrial waste facilities located in Gogebic County that are within 100 miles of Superior.

Hauling Operations

There are two C&D haulers located in Ironwood (104 miles from Superior) that were not contacted by Leidos. From the phone calls made to C&D haulers as part of this wasteshed analysis, Leidos found that most haulers are not interested in transporting C&D debris more than about 50 miles because the longer distances with heavy loads create an economic disadvantage.

Key Finding(s)

Leidos found no opportunities for waste in Gogebic County that would be available for disposal at the Superior Landfill.

1.2 Summary of Opportunities

Table 1-3, on the following page, summarizes the opportunities the City of Superior may have to market the capacity available at its landfill. Leidos categorized these opportunities into three groups:

- **Group 1** – Distance to current disposal site is generally equal or greater than distance to the Superior Landfill.
- **Group 2** – Haul distance to Superior is more, but with aggressive marketing and in some instances, the arrangement of transportation, the waste could potentially come to the Superior Landfill. (Leidos assumes long-haul transfer trailers would be used to transport waste to the Landfill from distances beyond 35 miles and direct-haul would be used to deliver MSW to the Landfill from locations 35-miles or closer. The cost of truck transfer is impacted by fuel costs, vehicle payload, drivers' salaries, and other considerations and its cost effectiveness decreases as the distance increases.)
- **Group 3** – Waste is not likely to come to Superior because the transfer station or landfill is owned by the same company or municipality. Or in the case of the Gogebic Range SWMA, the City recently submitted a bid to dispose of the Authority's waste, however a five-year contract was awarded to a transport and disposal company in Michigan.

If the City could successfully collect waste from all the opportunities classified as Group 1 and Group 2, the City could increase the tonnage at the Landfill by as much as 50,000 to 80,000 tons as existing contracts with waste haulers and disposal locations expire. However, Leidos believes it is more reasonable to expect, as existing contracts expire over the next three to five years, the annual tonnage at the Landfill could increase by 10,000 to 30,000 tons. This additional waste could translate to additional revenue at the Landfill with only marginal cost increases.

**Table 1-3
Summary of Potential Opportunities to Increase MSW Market Share**

	Source	Annual Tonnage	Current Disposal Site	Current Disposal Site Rate per Ton	Distance (miles)		Other Considerations
					Current	To Superior	
1	Solon Springs TS	13,000-26,000 ^[1]	Lake Area LF	\$70.81 ^[2]	48	28	Recently signed 1 yr contract.
	J&H Transfer	2,723 ^[3]	Lake Area LF	\$58.00 ^[4]	140	62	In year one of 3-yr contract.
	Itasca County TS	23,000	Elk River LF	\$58.00 ^[5]	146	83	Contract expires in 2018.
	Mike's Sanitation	1,416	ECSWC Landfill	\$42.00	49	48	Annual contract.
	Eagle Waste	3,000	Hwy. G Landfill	\$62.00 ^[4]	114	65	One-year contract.
2	Garrison Disposal	8,229	ECSWC Landfill	\$42.00	61	84	Annual contract.
	McGregor TS	244	ECSWC Landfill	\$42.00	52	62	Annual contract.
	Minong TS	1,080 – 1,350	Lake Area LF	\$58.00	34	49	n/a
	East Central Sanitation	35,725	ECSWC Landfill	\$42.00	30	94	Annual contract.
3	Brookston TS	1,645	St. Louis County LF	\$49.14 ^[6]	57	29	Internalize waste.
	Aurora TS	3,317	St. Louis County LF	\$49.14 ^[6]	18	79	Internalize waste.
	Hibbing TS	13,837	St. Louis County LF	\$49.14 ^[6]	24	80	Internalize waste.
	Cook TS	2,921	St. Louis County LF	\$49.14 ^[6]	27	95	Internalize waste.
	Northwoods (Ely) TS	4,393	St. Louis County LF	\$49.14 ^[6]	48	106	Internalize waste.
	WM Ashland TS	13,000-26,000 ^[1]	K&W LF	\$90.00	100	65	Internalize waste.
	Republic Hayward TS	13,000-26,000 ^[1]	Lake Area LF	n/a ^[7]	36	71	Internalize waste.
	Republic Midtown Rd TS	13,000-26,000 ^[1]	Lake Area LF	n/a ^[8]	36	69	Internalize waste.
	Gogebic SWMA TS	10,000	Hiawatha Shores	\$64.00	240	104	Recently signed 5-yr contract.

[1] Based on permitted capacity of 50-100 tons per day; assumes operations of 5 days per week.

[2] Gate rate at Lake Area Landfill is \$58.00 per ton. Solon Springs pays Republic \$70.81 per ton for transportation and disposal.

[3] Tonnage reported to Aitkin County only.

[4] Gate rate; contracted rate was not provided.

[5] Contracted rate between Itasca County and Waste Management for TS operations, transportation and disposal.

[6] Gate rate for waste generated within the Solid Waste Management Area. Rate for waste generated outside the SWMA is \$106.99 per ton.

[7] Republic's transfer stations are used primarily for Republic trucks. Residents who self-haul to the Hayward TS are charged 8.5 cents per pound.

[8] Republic's transfer stations are used primarily for Republic trucks. Residents who self-haul to the Midtown TS are charged \$4.00 per bag or \$25 per cubic yard.

1.3 Disposal Pricing Summary

There are two MSW landfills in Minnesota and three in Wisconsin that fall within a 100-mile radius of Superior, as shown in Figure 1-1. (Waste Management's Timberline Trail landfill is located just outside this radius at 117 miles, nonetheless it was included in the analysis.)

Table 1-4 summarizes the disposal prices and 2012 or 2013 tonnages (whichever were available) for the landfills in the wasteshed. Except where indicated, the disposal prices represent the gate rate reported to Leidos. Although prices for certain customers are discussed throughout the wasteshed analysis, all customers at a landfill do not necessarily pay the same rate, depending on the individual arrangements the landfill operator has with its customers.

Table 1-4
Summary of MSW Landfills and Disposal Costs

Name	County	State	Distance from Superior	Disposal Price per Ton	MSW Tons
City of Superior LF	Douglas	WI	-	\$51.00	115,938 (2012)
St. Louis County LF	St. Louis	MN	67	\$49.14 ^[1]	51,573 (2013)
East Central Solid Waste Commission LF	Kanabec	MN	94	\$56.00 or \$42.00 ^[2]	88,651 (2013)
Republic Lake Area LF	Washburn	WI	89	\$58.00	47,111 (2012) ^[3]
WM Timberline Trail LF	Rusk	WI	117	\$80.00	62,407 (2012) ^[3]

[1] Price is for MSW generated within the County's Solid Waste Management Area (SWMA); outside the SWMA, MSW is \$106.99 per ton. Less than one percent of annual tons received is from outside the SWMA.

[2] Contracted haulers receive a quarterly rebate from the Commission that equates to a \$14.00 per ton price reduction on the tip fee.

[3] Per WI DNR 2012 Landfill Tonnage Report.

There are 10 demolition and industrial landfills in Minnesota and 7 in Wisconsin that fall within a 100-mile radius of Superior, as shown in Figure 1.

Table 1-5 summarizes the disposal prices and tonnages (or cubic yards) for the C&D/industrial landfills in the wasteshed. Except where indicated, the disposal prices represent the gate rate reported to Leidos. Although prices for certain customers are discussed throughout the wasteshed analysis, all customers do not necessarily pay the same rate, depending on the individual arrangements the facility operator has with its customers. If the annual quantities were not available, the permitted annual capacity was listed.

**Table 1-5
Summary of C&D/Industrial Landfills and Disposal Costs**

Name	County	State	Distance from Superior	Disposal Price per Ton or Cubic Yard	Annual C&D Tons or Cubic Yards
City of Superior LF	Douglas	WI	-	\$51.00/ton	3,053 tons (2013)
DLS LF	Douglas	WI	8	\$10.00/cy	50,000-250,000 cy ^[1]
Veit LF	St. Louis	MN	17	\$11.00/cy	150,942 cy (2012)
Shamrock LF	Carlton	MN	21	\$9/cy or \$42/ton	n/a
Venstone C&D LF	Bayfield	WI	38	\$15.00/cy	50,000-250,000 cy ^[1]
WM Voyager LF	St. Louis	MN	39	\$42.00/ton	55,414 tons (2013)
Lake County Demo LF	Lake	MN	43	\$8.60/cy ^[2]	4,200 cy (2013)
Ashland Demo LF	Ashland	WI	65	\$17.50/cy	Up to 50,000 cy ^[1]
St. Louis County LF	St. Louis	MN	67	\$13.00/cy ^[3]	2,475 tons (2013)
Thompson C&D LF	Sawyer	WI	71	\$20.00/cy	Up to 50,000 cy ^[1]
Namakagon C&D LF	Bayfield	WI	82	\$6.50/cy	Up to 50,000 cy ^[1]
Itasca County Demo LF	Itasca	MN	83	\$9/cy or \$20/ton	16,500 cy (2012)
WM Oakridge Demo LF	Aitkin	MN	84	\$11.50/cy	13,382 cy (2012)
General Waste C&D LF	Itasca	MN	86	\$11.00/cy	17,714 cy (2011)
B&B Waste Facility	Washburn	WI	87	n/a	Up to 50,000 cy ^[1]
Republic Lake Area LF	Washburn	WI	89	\$58.00/ton	6,514 tons (2012)
East Central Solid Waste Commission LF	Kanabec	MN	94	\$10/cy	5,035 cy (2013)
Slagle Demo LF	Cass	MN	94	\$8.65/cy	n/a
WM Timberline Trail LF	Rusk	WI	117	\$80.00	1,826 tons (2012)

[1] Permitted capacity per WI DNR.

[2] \$27.60/cy for out-of-county waste.

[3] Or \$42/ton for in-SWMA C&D; outside SWMA C&D is \$19/cy or \$56 per ton.

1.4 Key Findings and Recommendations

1. Compared to the Superior Landfill, one landfill (St. Louis County) in the watershed has a lower tipping fee at \$49.14 per ton and three are higher. The ECSWC Landfill's gate rate is higher than Superior, however their contracted hauler rate is lower at \$42.00 per ton. In order to be more competitive, the Superior Landfill would need to lower its tipping fees. It is also important to recognize that transportation costs have a significant impact on the overall disposal costs and that the tip fees may need to be lowered even more to compensate for the longer distances some haulers would need to drive to bring MSW to Superior.
2. A majority (83 percent in 2012) of the MSW tonnage disposed at the Superior Landfill comes from the WLSSD. As previously stated, the City's disposal contract with the WLSSD expires in 2019. In addition, 9 percent of the MSW

disposed in 2012 came from the City of Superior. The remainder of the waste (8 percent in 2012) was disposed by third parties and is relatively captive since the next closest landfill is approximately 67 miles away. The City should recognize that much of the current waste stream will most likely continue to be disposed of at the Superior Landfill if current market conditions remained unchanged.

3. Republic does not have any financial incentive to use the Superior Landfill due to its business model to internalize its waste by using its own landfills and hauling operations. While Republic is collecting a considerable amount of waste in the wasteshed, this material is being disposed of at its Lake Area Landfill in Sarona. Due to the existing infrastructure in place, Leidos would not expect the Superior Landfill to receive waste from Republic in the future.
4. Waste Management also internalizes its waste but does dispose of some MSW (primarily from Douglas County) at the Superior Landfill. In 2013, Waste Management delivered 3,990 tons of MSW to the City's Landfill.
5. Two of the largest solid waste companies (Republic and Waste Management) are very active in the wasteshed, and could possibly have an interest in the opportunity to operate the Superior Landfill or potentially acquire it, if either of these options are considered by the City in the future.
6. The MSW collection market is primarily divided between haulers that contract with the WLSSD (whose waste is disposed at the Superior Landfill) and Republic and Waste Management who, for the most part, internalize their waste. If another company would become the Superior Landfill operator, it could potentially bring additional tonnage to the Landfill, but it is also important to recognize that it may take several years for market share to change due to existing multi-year municipal collection contracts.

C.D.W. 5/6/14 #2



SUPERIOR

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Living up to our name.

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April 30, 2014

Meeting Date: May 6, 2014

TO: Mayor Bruce Hagen and Members of the City Council
FROM: Jean D. Vito, Finance Director & Senior Administrative Officer
RE: Capital Improvement Program – Referral to May 6th Committee of the Whole

Introduction/Discussion

There are a number of changes being recommended to the Capital Improvement Program (current program is 2012 – 2017) that we would like the City Council to consider.

One is to request a change to establish a “rolling” program, meaning a longer vision into future years. The second is to request various changes to the already adopted 2014 program. The third is to request formal approval for the 2015 projects and tentative approval for projects expected to fall within the years 2016 – 2020. The fourth request is a review of the bonding requirements to support the recommended program and the estimated impact on the tax levy.

We would like to make introductory comments to all of the above requests at the May 6th Committee of the Whole meeting. No action will be requested of the council at this meeting. A request to adopt the revised and future program will be presented to the council at the May 20, 2014 regular council meeting with specific detail on each project.

Recommendation

It is requested that the city council refer discussion on the Capital Improvement Program to the May 6th Committee of the Whole meeting.

Approved: Bruce Hagen / rj
Mayor Bruce C. Hagen

Date: 4/30/14